



**MINUTES OF THE MEETING OF THE
EAST LOTHIAN INTEGRATION JOINT BOARD**

**THURSDAY 24 SEPTEMBER 2015
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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Voting Members Present:

Councillor S Akhtar
Mr M Ash
Councillor J Goodfellow
Councillor D Grant
Mr A Joyce
Ms A Meiklejohn

Non-voting Members Present:

Ms F Duncan
Dr R Fairclough
Ms A MacDonald
Mr K Maloney
Mrs M McKay
Mr D Small
Mr A Wilson

Officers Present:

Mr D King
Ms C Lumsden
Ms J McCabe
Ms J Ogden-Smith

Visitors Present:

Ms K Aitken
Ms M Robson
Mr I Kerr

Clerk:

Miss F Currie

Apologies:

Councillor S Currie
Professor J Iredale
Ms M Allan
Dr A Flapan
Mr T Miller
Mr E Stark
Dr J Turvil

Declarations of Interest:

None

1. MINUTES OF THE EAST Lothian INTEGRATION JOINT BOARD MEETING OF 27 AUGUST 2015 (FOR APPROVAL)

The minutes of the East Lothian Integration Joint Board meeting of 27 August 2015 were approved.

2. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 27 AUGUST 2015

The following matters arising from the minutes of the meeting of 27 August 2015 were discussed:

Financial Arrangements for the IJB – David Small, Chief Officer to the IJB, advised that the Section 95 officer had yet to be appointed and therefore the actions which were to be undertaken in advance of this meeting would now be carried forward to the October meeting.

East Lothian Community Hospital – Mr Small reported that the next stage of the process had been approved; however progress with the business case had been affected by issues relating to EU accounting standards which required clarification at national level.

Primary Care Premises Business Cases – Mr Small advised that the Standard Business Case for the extension to Prestonpans Health Centre had been approved and the outline proposals for Cockenzie Health Centre had also been agreed.

Councillor Akhtar asked about publicity, pointing out the importance of keeping local people informed of the proposals for both health centres. Mr Small agreed that this should be considered.

3. CHAIR'S REPORT

The Chair reported on a development event for Chairs/Vice Chairs of Integration Joint Boards hosted by the Scottish Government and CoSLA on 26 August 2015. He attended along with Vice Chair, Mike Ash, and both found the event, and the opportunity to meet with other IJB Chairs and Vice Chairs, extremely helpful. The agenda covered a range of topics including Audit Scotland, performance management, governance and accountability.

Mr Ash commented that during the event Ministers had given their clearest indication yet that IJBs would assume responsibility for Delayed Discharges.

Margaret McKay observed that the induction event for IJB members she attended the previous week had been less well attended than she had expected. However, she had found the event very interesting and the opportunity to exchange views and experiences had been very useful. Mrs McKay asked whether there were plans to publish an analysis of responses from attendees. Kris Aitken, Organisational Development Consultant at NHS Lothian, confirmed that an analysis was being prepared and would be circulated to all attendees. She also indicated that there had been a 50% attendance across all of the sessions and a 'follow up' session was being considered.

4. STRATEGIC PLANNING FRAMEWORK

A report was submitted by the Chief Officer of the IJB providing a summary of the current strategic planning framework and activity within East Lothian. The report identified key strengths and weaknesses and outlined recommendations for a revised planning network to support the principles of the Public Bodies (Joint Working) (Scotland) Act 2014.

Carol Lumsden, Transformation and Integration Manager, NHS Lothian, presented the report drawing members' attention to the appendices which included a working document summarising current planning groups in East Lothian, a proposed draft structure, roles and remits for the new strategic planning groups and details of thematic project teams for key areas such as primary care and housing.

Responding to questions from Keith Maloney, Ms Lumsden advised that the next public consultation for the Strategic Plan would be in December 2015/January 2016 but that an easy-read version of the draft plan would be available for the 'Big Conversation' event on 30 October 2015.

Alison Meiklejohn pointed out the importance of comparing new structures against existing governance arrangements within member organisations to avoid duplication and potential conflicts of interest. Ms Lumsden agreed indicating that a schematic would be drawn up to address this issue and referring Ms Meiklejohn to the paper on performance management which was presented at the IJB's August meeting.

Mrs McKay welcomed the separate focus on carers said it would be helpful if this and other key areas of responsibility had identified 'lead officers'. She asked for an example of the type of issue which might be referred to a thematic project group and questioned the assertion in the report that there would be no financial implications as a result of this work.

Ms Lumsden suggested access to psychological services as a possible topic for a project group and acknowledged that, in the longer term, there would be associated financial implications. Mr Small indicated that lead roles would be assigned to key officers in due course.

Dr Richard Fairclough welcomed the inclusion of a representative from public health as, in his view; this was key area of work for the IJB.

Decision

The IJB agreed:

- i. to note the key findings of the review, including the consultation process with existing planning groups;
- ii. to note that the proposals outlined have been supported by the Strategic Planning Group;
- iii. the proposed new strategic planning framework; and
- iv. to extended membership proposals for the Strategic Planning Group and progress appointments as outlined.

5. APPOINTMENT OF CHIEF FINANCE OFFICER

A report was submitted by the Chief Officer of the IJB providing an update on the proposals for the Section 95 Officer appointment.

Mr Small presented the report advising members that he had hoped to bring forward an appointment for approval at this meeting; however the process was taking longer than expected. He confirmed that a job description had been agreed by East Lothian Council, Midlothian Council and NHS Lothian, and the post had been advertised as a secondment opportunity across the 3 organisations. Interviews would be held in early October and the outcome would be presented to the IJB at its meeting on 29 October 2015.

Decision

The IJB agreed:

- i. to note the process underway; and
- ii. to receive a report on the appointment at the IJB meeting to be held on 29 October 2015.

Signed

Councillor Donald Grant
Chair of the East Lothian Integration Joint Board

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 29 October 2015

BY: Chief Officer

SUBJECT: Commissioning Care at Home Services: IJB Role

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1 PURPOSE

- 1.1 This report provides an overview of initial work in the development of a tendering methodology for specialist care at home services as an element of the Strategic Plan. The report also outlines the role of the IJB in the process.
- 1.2 Any member wishing additional information should contact the author of the report in advance of the meeting.

2 RECOMMENDATIONS

The Integration Joint Board is recommended to:

- 2.1 Note the proposed methodology for the specialist services tendering process and associated timescales.
- 2.2 Agree that the strategic direction of the specialist services will be determined through a direction from the IJB to East Lothian Council and NHS Lothian as part of the process in delivering the Strategic Plan.

3. BACKGROUND

- 3.1 One of the major shifts in service delivery over recent years has been the increase in independent and third sector provision of care - both care homes and care at home. Good quality, consistent care at home is critical to the achievement of personal and integration outcomes and without the valuable contribution of the independent and third sectors and its workforce the health and social care system would be challenged. Effective planning and commissioning of these services is therefore vital to the ambition of the Strategic Plan.
- 3.2 Care at home services in East Lothian are currently provided through two types of framework agreements with service providers: the specialist provider framework and the Help to Live at Home (HTLAH)

framework. The specialist framework contract provides care and support to people at home who have complex needs including learning disability, physical disability and mental ill health and has been extended until 31 March 2016.

- 3.3 A number of challenges have been identified within the specialist framework locally, not least lack of capacity, the need to more effectively horizon scan for those in transition, and cost inefficiencies. In addition there are broad challenges across the wider care at home sector which can be summarised as:
 - 3.3.1 Recruitment and retention of care staff: there are compounding difficulties in recruiting into the care sector which is viewed as low paid but with high responsibilities and close scrutiny. There are a limited number of people working in the care sector across Lothian and when one organisation recruits, as a broad generalisation this removes staff from another provider in the county and overall capacity remains relatively static. The high mobility of carers across the sector causes additional disruption to service users and providers.
 - 3.3.2 The level of restructuring and acquisitions across the care at home sector: within the current frameworks national organisations have grown by acquiring or merging with other care at home providers which does not necessarily increase the overall capacity of the framework.
 - 3.3.3 The resulting inability to meet the level of need across East Lothian within a sector which is experiencing change and within increasing financial pressures: currently there is unmet need not addressed in a consistent way through the care at home frameworks.
- 3.4 Work is ongoing within the Health and Social Care Partnership to develop a new commissioning and tendering process for specialist care at home services which will support service redesign, develop more innovative, integrated solutions, greater resource efficiency and service user satisfaction. Self Directed Support (SDS) will be a key element of consideration in this in order to allow for choice within the finished commissioning arrangements.
- 3.5 An appropriate timescale to allow for effectively scoping, co-producing, business modelling and transitioning such a process and the proposed methodology likely to be 24 months.
- 3.6 Given the timeline of the retendering process, the commissioning exercise will be effectively undertaken after the date when functions will be delegated to the IJB and the strategic direction of the specialist services will therefore be through the mechanism of a direction from the IJB, via the Strategic Plan, to East Lothian Council and NHS Lothian.

3.6 The wider care at home / HTLAH commissioning framework commenced on 1 April 2014 and expires on 31 March 2017 with the option of being extended for an additional two years at the Council's discretion. The future model of care for retendering this function will therefore be under the jurisdiction of the IJB. The experience and learning from the approach to the model of care for specialist care at home will be embedded at the earliest stage in a parallel approach to the development of a longer term, sustainable commissioning strategy for care at home services which provides sufficient, high quality capacity for care at home across all localities as soon as practicable.

4. POLICY IMPLICATIONS

4.1 There are no policy implications associated with consideration of this information update.

5 EQUALITIES IMPLICATIONS

5.1 The proposed methodology for recommissioning specialist services will place a strong and explicit emphasis on co-designing services and approaches which will more effectively ensure equality of service provision.

6 RESOURCE IMPLICATIONS

6.1 There are no immediate resource implications associated with consideration of this information update

7 BACKGROUND PAPERS

7.1 None.

AUTHOR'S NAME	Carol Lumsden
DESIGNATION	Transformation and Integration Manager
CONTACT INFO	Carol.lumsden@nhslothian.scot.nhs.uk
DATE	22 October 2015

REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 29 October 2015
BY: Chief Officer
SUBJECT: Appointment of Chief Finance Officer

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1 PURPOSE

- 1.1 This report seeks the agreement of the East Lothian Integration Joint Board (IJB) to the proposed appointment to the position of Chief Finance Officer.

2 RECOMMENDATIONS

- 2.1 The IJB is recommended to:
- 2.2 Agree the appointment of David King to the post of Chief Finance Officer.
- 2.3 Agree that the appointment is on a two year secondment basis subject to review before the end of the first year.

3 BACKGROUND

- 3.1 The regulations on membership of IJBs include the appointment of “the proper officer of the integration joint board appointed under section 95 of the Local Government (Scotland) Act 1973(1)”.
- 3.2 At its meeting on 1st July 2015 the East Lothian Integration Joint Board agreed that there should be a shared Section 95 Officer appointment between East Lothian and Midlothian IJBs.
- 3.3 Interviews were held on 28th September 2015. The panel comprised the Chairs and Chief Officers of both Integration Joint Boards with advisory input from the Section 95 Officer from Midlothian Council.
- 3.4 The outcome from the interview is to unanimously recommend the appointment of David King of NHS Lothian. The appointment will be on a two year secondment basis and will be shared with Midlothian IJB.

- 3.5 The appointee will retain an operational role in NHS financial management as it relates to East and Midlothian NHS budgets.
- 3.6 It is proposed there should be a review of the arrangements before the end of the first year.

4 POLICY IMPLICATIONS

- 4.1 The recommendations in this paper implement national legislation and regulations on the establishment on IJBs.

5 EQUALITIES IMPLICATIONS

- 5.1 The recommendations in this paper will be implemented in line with the recruitment policies of East Lothian Council and NHS Lothian which have already been tested for equalities.

6 RESOURCE IMPLICATIONS

- 6.1 There are no immediate resource implications of this paper. Any resource implications of the agreement on an operational role will be carefully monitored and included in the review.

7 BACKGROUND PAPERS

- 7.1 None

AUTHOR'S NAME	David Small
DESIGNATION	Chief Officer
CONTACT INFO	david.a.small@nhslothian.scot.nhs.uk
DATE	05/10/15

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 29 October 2015

BY: Chief Officer

SUBJECT: Financial Regulations for the IJB and the Creation of an Audit and Risk Committee

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1 PURPOSE

- 1.1 The IJB is required to adopt a set of Financial Regulations; these define the financial roles and outline the financial governance for the IJB.
- 1.2 This report also lays out the Terms of Reference (TOR) for the East Lothian IJB Audit and Risk Committee and asks the IJB to nominate members for that committee.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to adopt the financial regulations as laid out in Appendix I.
- 2.2 To delegate the responsibility for preparing the directives and instruction (to support the Regulations) to the Chief Finance Officer.
- 2.3 The IJB, having agreed to set up an audit and risk committee at its previous meeting is asked to agree the Terms of Reference of this committee and to appoint a chair and three other members.

3 BACKGROUND

- 3.1 A key element of financial governance is a clear set of financial regulations. The purpose and content of the regulations is laid out in the first section (Scope and Observance) – in summary:-

‘Section 95 of the Local Government (Scotland) Act 1973, requires all Integration Joint Boards (IJB) in Scotland to have adequate systems and controls in place to ensure the “proper administration of their

financial affairs”, including the appointment of an officer with full responsibility for their governance. These Financial Regulations detail the responsibilities of the Chief Finance Officer who has been appointed as the “proper officer” along with the responsibilities of the Chief Officer and Members of the IJB’

- 3.2 These regulations will be supported by a series of financial directives and instructions which are not yet completed. These will be at a more operational level and it is proposed that the responsibility for producing the directives be delegated to the Chief Finance Officer.
- 3.3 The IJB may revise the Financial Regulations at any time but any changes to the Regulations must be approved by the IJB.
- 3.4 It should be noted that the IJB does not employ any staff nor does it have a bank account. These Regulations can therefore be at a relatively high level.

4 POLICY IMPLICATIONS

- 4.1 IJB agreed at its meeting of 27 August 2015 that it would set up an Audit Committee. Best practice would suggest that such a committee’s role be expanded to address both Audit and Risk and therefore it is proposed to set up an Audit and Risk Committee.
- 4.2 Terms of reference for this committee are attached as appendix 2. In summary, the purpose of the audit committee is to provide independent assurance to IJB members of the adequacy of the risk management framework and the internal control environment. It provides independent review of East Lothian IJB’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 4.3 However, the management of risk is a key matter for the IJB and it is further proposed that regular risk management reports are presented to the IJB itself whilst the on-going scrutiny and consideration of the IJB’s risk register and the mitigation actions to manage these risks is undertaken by the Audit and Risk Committee.
- 4.4 The Audit and Risk committee will be formed of four IJB voting members (2 from Health and 2 from the Council) with the Chief Officer, Chief Finance Officer and the Chief Internal Auditor in attendance. The external auditors will be invited to every meeting. The Committee may add any further members or invite any officers from either the Council or the Health Board as it sees fit. The IJB will nominate these members.

- 4.5 The IJB will also nominate the chair of the of Audit committee. It should be noted that the chair of the audit committee cannot be the Chair or Vice Chair of the IJB.
- 4.6 The audit committee will decide its meeting frequency however it is recommended that it meets at least three times per annum and it is suggested that these meetings are either before or after the meetings of the IJB to simplify the logistical issues.
- 4.7 If required, appropriate training for members of the audit committee can be provided by the Chief Finance officer and the Chief Internal Auditor.

5 POLICY IMPLICATIONS

- 5.1 The relevant policy issues referred to in this report arise from the Public Bodies (Joint Working) (Scotland) Act 2014.

6 EQUALITIES IMPLICATIONS

- 6.1 There is no direct impact on inequalities arising from this report.

7 RESOURCE IMPLICATIONS

- 7.1 There are no additional resource implications arising from the content of this report.

8 BACKGROUND PAPERS

- 8.1 Reports to the IJB on 20 August 2015

AUTHOR'S NAME	David King
DESIGNATION	Chief Finance Officer (Designate)
CONTACT INFO	david.king@nhslothian.scot.nhs.uk
DATE	20 October 2015

Appendix 1

East Lothian Integration Joint Board

Financial Regulations Summary

INTEGRATION JOINT BOARD

FINANCIAL REGULATIONS

Item

1. [Scope and Observance](#)
2. [Framework for Financial Administration](#)
3. Integration Joint Board Responsibilities
4. [Corporate Governance](#)
5. [Delegated Authority](#)
6. [Review of Financial Regulations](#)
7. [Following the Public Pound](#)

1. **SCOPE and OBSERVANCE**

1.1 Section 95 of the Local Government (Scotland) Act 1973, requires all Integration Joint Boards (IJB) in Scotland to have adequate systems and controls in place to ensure the “proper administration of their financial affairs”, including the appointment of an officer with full responsibility for their governance. These Financial Regulations detail the responsibilities of the Chief Finance Officer who has been appointed as the “proper officer” along with the responsibilities of the Chief Officer and Members of the IJB. These Financial Regulations relate to the IJB.

1.2 The IJB has been delegated the responsibility for delivering a set of Health and Social Care functions by East Lothian Council and NHS Lothian. These functions are laid out in the Jib’s Integration Scheme. East Lothian Council and NHS Lothian will provide to the IJB financial resources in respect of these functions.

1.3 IJB will issue directions to the Council and to the Health Board in relation to the delivery of the functions delegated to the IJB through its Strategic Plan. The Council and the Health Board in following these directions shall ensure that their own financial regulations are fully observed. This is explicit in the directions that are issued by the IJB.

1.4 The IJB will not deliver any of the functions delegated to it itself, all operational delivery for delegated functions will be provided by East Lothian Council or NHS Lothian as directed by the IJB as above.

1.5 The Chief Finance Officer and Chief Internal Auditor will monitor and report on compliance with these regulations which apply to all members of the IJB whether voting or non-voting.

1.6 The IJB will ensure that only expenditure within the legal powers of the IJB is incurred or directed to be incurred. Where this is not clear, the IJB will consult the Chief Finance Officer prior to incurring such expenditure. Similarly, the legality of expenditure relating to new service developments, initial contributions to other organizations and responses to new emergency situations will also be clarified prior to any related expenditure being incurred.

2. **FRAMEWORK FOR FINANCIAL ADMINISTRATION**

2.1. The Financial Regulations detail the responsibilities of all members of the IJB. The Financial Regulations may only be amended by the IJB.

- 2.2 The Chief Finance Officer as the 'proper officer' for the proper administration of the Jib's financial affairs will oversee the operation of the Financial Regulations within the IJB and will provide to the Chief Officer and the other members of the IJB (whether voting or not) a written framework which governs the Council's financial affairs. The framework will consist of:

Financial Directives: These directives will cover all relevant aspects of financial administration and the Chief Finance Officer will have the delegated authority to alter the Financial Directives except for any matters which are covered by the Financial Regulations where Jib's approval will be required. Changes to the Financial Directives will be reported to the Jib's Audit and Risk Committee for their endorsement.

Financial Guidance Notes: These guidance notes will provide the IJB with detailed guidance and advice on specific procedures to be followed and any such guidance notes issued will require the prior approval of the Chief Finance Officer.

- 2.3 All Financial Directives and guidance notes issued in terms of these Financial Regulations are issued with the same status and authority as if they were contained within these Financial Regulations.

- 2.4 Accounting Policies and records

The Jib's accounting policies are governed by the appropriate local government Acts as directed and amended by Scottish Ministers.

The accounting records of the IJB will be held by East Lothian Council on behalf of the IJB.

- 2.5 Risk

The Chief Officer will be responsible for establishing the Jib's risk strategy and profile and developing the risk reporting arrangements, including a risk register. The risk management strategy will be approved by the IJB and reviewed by the IJB Audit and Risk Committee.

- 2.6 Insurance

The IJB will join the NHS CNORIS scheme which will provide the IJB with the appropriate insurance cover. This insurance scheme will only cover the IJB, its professional advisors and Council or NHS officers who have been requested by the IJB to provide specific advice or services to the IJB. NHS Lothian and East Lothian Council in delivering functions as directed by the IJB will ensure that the appropriate clinical and liability insurance is in place.

3. **INTEGRATION JOINT BOARD RESPONSIBILITIES**

3.1 The IJB and its Officers (Chief Officer and Chief Finance Officer) will continuously strive to secure best value and economy, efficiency, and effectiveness in their use of resources.

3.2 Chief Officer

The Chief Officer will provide a strategic leadership role as principal advisor to and officer of the Integration Joint Board and will be a member of the senior management teams of the Parties. The Chief Officer will lead the development and delivery of the Strategic Plan for the IJB and will be accountable to the IJB for the content of the directions issued to the Parties by the IJB and for monitoring compliance by the Parties with directions issued by the IJB.

3.3 Chief Finance Officer

The Chief Finance Officer will undertake the role as laid out in S95 of the 1973 Local Government (Scotland) Act and shall make arrangements for the proper administration of the Jib's financial affairs and as the proper officer of the IJB has responsibility for the administration of those affairs. The Chief Finance officer will discharge this duty by:-

- establishing financial governance systems for the proper use of delegated resources;
- ensuring that the Strategic Plan meets the requirement for best value in the use of the Jib's resources; and
- ensuring that the directions to NHS Lothian and East Lothian Council require that the financial resources are spent according to the allocations in the Strategic Plan.

3.4 Subject to the overarching responsibility of the IJB, the Chief Officer will be responsible for overseeing the IJBs financial and budgetary arrangements.

3.5 The Chief Finance Officer in consultation with the Chief Officer will advise the IJB and all its Committees on the financial implications of the IJB's activities. This will include the financial implications of the IJB's Strategic Plan which will be underpinned by a Financial Plan.

3.6 The responsibilities of the IJB and its Committees in relation to the conduct of the IJB's financial affairs are defined in the IJB's Standing Orders and Integration Scheme. In summary they are as follows.

3.7 IJB

- The IJB, on recommendations of the Chief Officer and the Chief Finance officer will approve all Revenue Budgets.
- The IJB will consider and approve any alterations to the Financial Regulations.

3.8 Chief Officer and Chief Finance officer

- These officers will develop and implement an operational policy within the IJB's approved budget and strategic policy framework.

- The officers will provide the IJB with appropriate financial assurance to allow the IJB to accept the opening budgets allocated by East Lothian Council and NHS Lothian.
- These officers will provide the IJB with appropriate financial assurance to allow the IJB to accept future year's budgets which will be allocated by East Lothian Council and NHS Lothian
- These officers will consider and recommend to the IJB for approval all Revenue Budgets and no expenditure can be authorised unless provided for in approved estimates.
- These estimates will be clearly detailed in the directions issued to the Council and the Health Board and neither of these parties may expend more than the approved estimate without the specific approval of the IJB.
- These officers will monitor the overall financial performance of the IJB's functions (as directed to either the Council or the Health Board) in relation to the approved Revenue Budgets.
- The Chief Finance officer will provide to the IJB regular budget monitoring reports along with explanations for any significant variances from budget and the remedial action planned.
- The IJB may hold reserves and the Chief Finance Officer will prepare a policy to hold and manage any such reserves which will be presented to the IJB for approval.

3.9 Management of budget variances

The Integration scheme lays out the arrangement for the management of variances within the IJB's operational budget – that is the resources that have been allocated to NHS Lothian and East Lothian Council to undertake the functions delegated. The Chief Officer and the Chief Finance officer will prepare and present to the IJB arrangements for the financial management of these variances. This will be laid out in the financial directives.

3.10 Chief Internal Auditor

A Chief Internal Auditor will be appointed by the IJB to act as the IJB Chief Internal Auditor. East Lothian Council and NHS Lothian will support the Chief Internal Auditor as they require per the Integration Scheme.

- The Chief Internal Auditor will report to the IJB's Audit and Risk Committee.
- The internal audit service will undertake work in compliance with the Public Sector Internal Audit Standards as defined within the Audit Charter.
- The Chief Internal Auditor will at the start of each financial year prepare an annual strategic risk based plan for the IJB and submit this for approval to the IJB's Audit and Risk Committee.
- The IJB Chief internal auditor will submit an annual audit report summarising the work undertaken by the Section over the year and provide an opinion on the adequacy of risk management, governance and internal controls. This will be presented to the

Chief Officer and the Audit and Risk Committee with responsibility for governance within the IJB See section 3.10 below).

- All internal audit reports for the IJB will be presented to the Chief Officer and the IJB's Audit and Risk Committee.
- The Chief Internal Auditor or their appointed representative (on production of identification) will have authority (as defined in the audit Charter) to access any data held on any site by either NHS Lothian or East Lothian Council that relates to the functions delegated to the IJB through the Integration Scheme.

However, the operational delivery of services by NHS Lothian and/or East Lothian Council as directed by the IJB will be covered by the respective internal audit arrangement of these bodies.

3.11 Audit and Risk Committee

The purpose of the Audit and Risk Committee is to provide independent assurance to the IJB of the adequacy of the risk management framework and the internal control environment. It provides independent review of the IJB's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.

- The Audit and Risk Committee will endorse the annual Internal Audit Plan, and receive regular reports on these in accordance with the Internal Audit Reporting Calendar.
- The Committee will receive and review reports from the Chief Internal Auditor on audit activity and results of reviews.
- The Committee will review the risk register on a regular basis.
- The Committee will promote sound corporate governance, management of risk, and a robust internal control environment.
- The Committee will consider reports by the IJB's External Auditors, including reports on the audited annual accounts.
- The annual accounts of the IJB will be presented to the committee for review prior to the presentation to the IJB.
- The Committee will review and approve the Annual Governance Statement which will be presented for approval to the IJB.

3.12 Strategic Planning Group

- The IJB will set up a Strategic Planning Group which will prepare a Strategic Plan as directed by the 2014 Public Bodies (Joint Working) Act and subsequent regulations.
- This Strategic Plan will include a financial plan (and any other financial information as directed by regulations). The Chief Finance Officer will support the production of this financial plan in line with these financial regulations.
- The IJB will approve the Strategic Plan and the resources committed by it to delivering the functions delegated to the IJB as laid out in the most recent Integration Scheme.

3.13 Directions to the Council and to the Health Board

The Public Bodies (Joint Working) Act 2014 lays out in sections 27 to 28 that an IJB will give directions to a constituent authority to carry out the functions delegated to that IJB. The provenance for these directions being the IJB's agreed Strategic Plan. Directions must specify the payment to be made (or the element of the set aside budget to be used as appropriate) and to regulate the manner in which the function is carried out.

- The IJB will agree a policy and a format for directions made as above.
- Directions will flow from the IJB's approved Strategic Plan.
- Directions will be authorised by the Chief Officer or, in the absence of the Chief Officer by the Chief Finance Officer.
- All directions will be reported to the IJB at least annually.

4. CORPORATE GOVERNANCE

4.1 The public sector has adopted Corporate Governance principles which, in the context of an IJB, are about how it conducts its business and relates to its community. Corporate Governance is about openness, integrity and accountability.

The six principles of Corporate Governance are:

- Focusing on the purpose of the IJB and on outcomes for the community and creating and implementing a vision for the area.
- Members and Officers of the IJB working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the IJB and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of Members and Officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

4.2 The IJB is expected to demonstrate that its local Code of Corporate Governance is available to be viewed by all stakeholders, partners and members of the public. Audit Scotland expects the IJB to have robust Corporate Governance procedures in place. A code of Corporate Governance will be prepared and agreed by the IJB.

4.3 The Local Code of Corporate Governance is approved by the IJB and scrutinised by the Audit Committee. The IJB will receive an annual report from the Chief Officer on compliance with the Code and whenever the Code requires to be updated.

4.4 The annual report coincides with the publication of the Annual Accounts and Performance Information, which will include an Annual Governance Statement, signed by the Chief Officer and the Chair of the of the IJB.

4.5 The basis of the Annual Governance Statement will be an overview and opinion on the IJB's arrangements contained in the approved Local Code.

4.6 The IJB will submit an Annual Performance report every year as laid out in regulations. This will be prepared by the Chief Officer and presented to the IJB for approval prior to submission.

5. DELEGATED AUTHORITY

5.1 Through its directions to the Council and the Health Board (as appropriate), the IJB will delegate financial resources for the delivery of

the functions that have been delegated to the IJB. The Council and the Health Board will apply their own financial regulations as part of the undertaking of any direction issued by the IJB.

- 5.2 The Health Board and the Council may not, without the specific approval of the Chief Finance officer vire funds between individual directions unless there is a specific protocol for financial risk management agreed as part of the direction.
- 5.3 If a protocol for financial risk management is drawn up between the IJB and the Council or the Health Board (as appropriate) and/or between the IJB and other IJBs, then this will be agreed by the IJB prior to the direction being issued.

6. **REVIEW OF FINANCIAL REGULATIONS**

- 6.1 These Financial Regulations may be varied or revoked by the IJB and any variation or revocation will be effective from the first working day after the conclusion of the IJB meeting at which it was approved.

7. **FOLLOWING THE PUBLIC POUND**

- 7.1 Current guidance for Local Authorities where funding is provided by one partner to another body to deliver services which would otherwise be provided by the funder, requires arrangements to be in place to maintain control and clear public accountability over the public funds. This will apply in respect of:
 - the resources delegated to the Integration Joint Board by the Local Authority and Health Board; and
 - the resources paid to the Local Authority and Health Board by the Integration Joint Board for use as directed and set out in the Strategic Plan.
- 7.2 The IJB will follow best practice principles as set out in the Code of Guidance on Funding External Bodies and Following the Public Pound and this will be incorporated into the directions made by the Integration Joint Board.

EAST LoTHIAN INTEGRATION JOINT BOARD

AUDIT AND RISK COMMITTEE TERMS OF

REFERENCE

INTRODUCTION

1. The Audit and Performance Committee is identified as a Committee of the Integration Joint Board (IJB). The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the Standing Orders. The Committee will be a Standing Committee of the IJB.
2. The Financial Regulations for the IJB were approved Integration Board on 29th October 2015. Section 3.10 of the Financial Regulations state that the IJB will have an Audit and Risk Committee

CONSTITUTION

3. The IJB shall appoint the Committee. The Committee will consist of (at least) four members of the IJB, excluding professional advisors. At least four Committee members must be IJB voting members, 2 from the Health Board and 2 from the Council

Membership of the committee will be for three years and may be extended by the IJB.

4. The Committee may at its discretion set up working groups for review work.
Membership of working groups will be open to anyone whom the Committee considers will assist in the task assigned. The working groups will not be decision making bodies or formal committees but will make recommendations to the Audit and Risk Committee.

CHAIR

5. The Chair of the Committee will be a voting Member nominated by the IJB, noting that the Chair or Vice Chair of the IJB cannot also chair the Audit and Risk Committee.

QUORUM

6. Three Members of the Committee will constitute a quorum.

ATTENDANCE AT MEETINGS

7. The Chief Officer, Chief Finance Officer, Chief Internal Auditor and other professional advisors or their nominated representatives will normally attend meetings. Other persons shall attend meetings at the invitation of the Committee.

8. The external auditor will be invited to all meetings.

MEETING FREQUENCY

9. The Committee will meet at least three times each financial year.

AUTHORITY

10. The Committee is authorised to request reports and make recommendations to the IJB for further investigation on any matters which fall within its Terms of Reference.

DUTIES

11. The Committee will review the overall internal control arrangements of the IJB and make recommendations to the Board regarding signing of the Governance Statement.
12. Specifically it will be responsible for the following duties:

GOVERNANCE, RISK AND CONTROL

1. To review the IJB's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
2. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the IJB framework of governance, risk management and control.
3. To consider the IJB arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
4. To consider the IJB framework of assurance and ensure that it adequately addresses the risk and priorities of the IJB.
5. To monitor the effective development and operation of risk management in the IJB.
6. To monitor progress in addressing risk-related issues reported to the committee.
7. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

INTERNAL AUDIT

8. To approve the internal audit charter.
9. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
10. To approve the risk-based internal audit plan, including internal audit's resources requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
11. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
12. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitation.

13. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b) Regular reports on the results of the Quality Assurance and Improvement Programme.
 - c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
14. To consider the head of internal audit's annual report:
 - a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the IJBI's framework of governance, risk management and control together with the summary of the work supporting the opinion - these will assist the committee in reviewing the Annual Governance Statement.
15. To consider summaries of specific internal audit reports as requested.
16. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
17. To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
18. To consider a report on the effectiveness of internal audit to support the Annual Governance Statement.
19. To support the development of effective communication with the head of internal audit.

EXTERNAL AUDIT

20. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
21. To consider specific reports as agreed with the external auditor.
22. To comment on the scope and depth of external audit work and to ensure it gives value for money.
23. To commission work from internal and external audit.
24. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

FINANCIAL REPORTING

25. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the IJBI.
26. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

ACCOUNTABILITY ARRANGEMENTS

27. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.
28. To report to the IJB on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 29 October 2015
BY: Chief Officer
SUBJECT: Appointment of a Chief Internal Auditor for the IJB

7

1 PURPOSE

- 1.1 This paper recommends that the IJB appoint a Chief Internal Auditor.

2 RECOMMENDATIONS

- 2.1 That the East Lothian Internal audit manager is appointed as Chief Internal Auditor for the East Lothian IJB.

3 BACKGROUND

- 3.1 The function of Internal Audit is to provide the IJB and its officers with an objective assessment of the adequacy and effectiveness of the IJB's control systems.
- 3.2 The Scottish Government's guidance recommends the appointment of a Chief Internal Auditor for the IJB.
- 3.3 The Chief Internal Auditor will prepare an Audit plan for the IJB's approval and that plan and the assurance that is derived from the audits within the plan will support the work of the Audit and Risk Committee which the CIA will also attend.
- 3.4 The Scottish Government guidance goes on to suggest that this role is populated from either the CIA of the Health Board or the Council. After discussion, East Lothian Council have offered their Internal Audit Manager for this role.
- 3.5 The IJB is asked to approve the appointment of the East Lothian Internal Audit Manager to the role of Chief Internal Auditor for the IJB.

4 POLICY IMPLICATIONS

- 4.1 The relevant policy issues referred to in this report arise from the Public Bodies (Joint Working) (Scotland) Act 2014.

5 EQUALITIES IMPLICATIONS

- 5.1 There is no direct impact on inequalities arising from this report.

6 RESOURCE IMPLICATIONS

- 6.1 There are no additional resource implications arising from the content of this report.

7 BACKGROUND PAPERS

- 7.1 None.

AUTHOR'S NAME	David King
DESIGNATION	Chief Finance Officer (Designate)
CONTACT INFO	david.king@nhslothian.scot.nhs.uk
DATE	20 October 2015

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 29 October 2015

BY: Chief Officer

SUBJECT: Financial Assurance and Financial Reporting

8

1 PURPOSE

- 1.1 This paper discusses the financial risks and financial management issues that the Integration Joint Board (IJB) will have to manage in relation to the financial allocations (the budget) that East Lothian Council and NHS Lothian will provide to support the functions that have been delegated to the IJB.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to note the content of this paper.
- 2.2 The IJB is asked to consider the proposal for a risk management strategy.

3 BACKGROUND

- 3.1 The East Lothian Integration Joint Board was set up by an Integration Scheme presented jointly by East Lothian Council and NHS Lothian and agreed by Scottish Ministers. This scheme laid out a series of functions to be delegated to the IJB. In order to deliver these functions, the IJB will receive a financial allocation (the budget) from both East Lothian Council and NHS Lothian.
- 3.2 This budget will be split into four:-
- 1) The budgets for Adult Wellbeing.
 - 2) The Core budgets for the CHP – these being the core (that is specific to East Lothian) Community services budgets, GMS budgets (the budgets to support the East Lothian GP Practices), GP Prescribing budgets and Resource Transfer budgets.

- 3) A share of the NHS Lothian 'hosted services'. These are services managed on behalf of NHS Lothian by each of the CHPs. Most of these hosted services are to be delegated to the IJBs and an appropriate share of each hosted service will be included in the IJB's integrated budget.
- 4) A share of the Acute services that are delegated to the IJBs

The budgets above being the direct budgets – that is the operational budgets that are delegated to the service managers. The budgets for property running costs and other 'corporate' overheads are not delegated to the IJB at this time.

1, 2 and 3 above will be 'paid' to the IJB with the budgets for the delegated Acute services being 'set aside' by NHS Lothian on behalf of the IJB. However, it should be noted that there is no payment as such, these are not cash transactions. The IJB does not have a bank account.

- 3.3 The totality of the financial budget as above will be the resources that are available to the IJB to deliver the functions that have been delegated to it. The IJB has therefore to undertake a process of financial assurance on this financial resource to explore the underlying financial risks that exist with the budgets and consider the financial management strategies that the IJB can adopt.

The budgets will form the resources available to support the IJB's Strategic Plan.

- 3.4 A process for undertaking financial assurance has been developed and a paper laying out this process was attached as an annex to the finance paper presented to the IJB on 27th August. This process has (broadly) the following steps:-
 - 3.4.1 A review of the financial out-turn of the partners for the previous financial year (2014/15)
 - 3.4.2 A review of the budget settlements of the partners for the current financial year (2015/16)
 - 3.4.3 A review of the projected out-turn of the partners for the current financial year (2015/16)
 - 3.4.4 A review of the proposed budget settlements for the next financial year (2016/17)
 - 3.4.5 A review of the budget setting model proposed by the partners
 - 3.4.6 Consideration of any financial risk management proposals
- 3.5 NHS Lothian and East Lothian Council have already undertaken a great deal of work to address items 3.4.1, 3.4.2 and 3.4.3 and the IJB (through its Chief Officer) has a significant input into both East Lothian and NHS Lothian's financial planning processes for 2016/17.

- 3.6 NHS Lothian has presented two papers to its Finance and Resource Committee discussing the out-turn position for 14/15, its proposed budget setting model and its proposals around a risk sharing protocol with the IJBs. Lothian notes that, although the Board broke-even in 2014/15, its operational units had an overspend of c. £35m which was underpinned by slippage and non-recurrent support. The overspend on East Lothian CHP was £1.5m. The reports reflected on the financial challenges that would have to be managed in 2015/16.
- 3.7 A financial assurance report is being prepared for East Lothian Council and will be considered at its meeting on 27 October. Adult Wellbeing reported an overspend in 2014/15 of c. £0.4m, the Council overall being underspent with a positive movement in its reserves.
- 3.8 Budget Setting Model

The budget setting model is the mechanism by which the budget for the IJB is set from within the overall budgets for NHS Lothian and East Lothian Council.

There are four key issues to be considered:-

Specific Budgets

These being the Adult Wellbeing budgets from East Lothian Council and the 'core' (ex CHP) budgets from NHS Lothian. There are elements in these budgets that are historic – for example the community hospitals – but it is proposed that these budgets are accepted as a 'given' to the IJB.

Within the hosted and 'set aside' element of the budget setting model there are two further issues:-

Costcentre Allocations.

NHS Lothian's management structure is not based around 'functions' but around a range of services. These services hold their budgets at costcentre level and the key to the health budget setting model is the allocation of these costcentres into 'delegated' and 'not delegated'. This allocation of costcentres has been examined in detail by colleagues within NSH Lothian and described in the first paper to the Finance and Resources committee (see below) but will require to be agreed on the IJB's behalf by the Chief Officer.

Shares

Hosted services and Acute services are services that are provided to the whole population of the Lothians and managed on a service (not IJB) basis. Therefore a mechanism is required to share the appropriate budgets across the IJBs. There are various options but three principles have been proposed for the current model:-

- NRAC (this is the national model to allocate health resources amongst Health Boards) which is based on weighted population.
- Geographical – to reflect where populations are based and therefore where the closest service is – it's unlikely that the population of East Lothian will use the emergency services at St. John's Hospital for example.
- Agreements – there are arrangements that were agreed by the CHPs (for example East Lothian use of Adult Psychiatry beds at the Royal Edinburgh Hospital) and these have been continued if this is appropriate.

It's important to recognise that none of these methods reflects actual usage; however actual usage does not necessarily reflect need and is unlikely to be "fair" in any case.

Budgets not delegated

As was discussed previously only direct, operational budgets are currently delegated. This simplifies the process considerably and allows services managers to be able to recognise the IJB allocations (at the appropriate level). Discussions require to take place about those budgets that support delegated functions but are not delegated.

3.9 Financial Position in 2015/16

Both NHS Lothian and East Lothian Council have agreed their budget settlements for 15/16 reflecting on the out-turns in 14/15, planned efficiencies, additional resources available and their consideration of pressures within services in 15/16. The outcome of these financial settlements will now be reflected in the actual positions for 15/16 and both the Council and the Health Board are finalizing out-turn projections for the current financial year. These will be a key part of the financial assurance process.

3.10 Proposed financial settlements for 2016/17

Both parties have started their financial planning process for 16/17 – the first year in which the IJB will have a budget –and, as was discussed previously, the IJB is represented by the Chief Officer with support by the Chief Finance Officer. The IJB has not yet formally published its Strategic Plan for consultation – and it has not yet received any financial allocations to support that plan – but the consultation of the Strategic Plan will support the Chief Officer in their representations with the Partners. It's clear that there will be significant financial challenges in the public sector settlements for 16/17 (and beyond) and although the government has announced that it will continue to protect health there is likely to be increased financial pressure on councils. The outcome from the public sector spending review will not be known until later in the calendar year and this is constraining the current financial planning processes.

Timescales

NHS Lothian will agree the 16/17 budget at its Board meeting in March 2016 with East Lothian Council having agreed its 16/17 budget in February 2016. Therefore, the IJB will not have 'final' 16/17 budgets to include in its Strategic Plan which requires to be published for consultation in January 2016. Much of the Strategic Planning work will have to use indicative financial positions for planning purposes. It is clear that, in order to allow the IJB's to properly develop their Strategic Plans, indicative financial positions for the next (and following years) will have to be made available to the IJB at least before December of the previous financial year. This is an issue that requires to be discussed with the Partners during 16/17.

3.11 Proposed Financial Settlements for 2017/18 and 2018/19

The IJB will require a three year allocation from the partners to allow it to undertake a three Strategic Plan. As with 16/17, information for future years remains in development.

3.12 Risk Sharing Protocols

Discussions are underway with partners about risk sharing protocols. There are a significant range of financial pressures in both the Council and the Health systems and there will be financial management issues arising in 16/17. Risk sharing protocols will both protect the IJB and avoid unnecessary financial turbulence in the partners' operational processes. However, if nothing changes – that is if pressures remain where they are – then it will be challenging to make changes in the system and to deliver the goals and objectives of the Strategic Plans. Any financial risk sharing protocol must set any benefit to the IJB (and the partners) against the impact of that protocol on the IJB strategic plan. The appendix to this report considers a range of risks and a reflection of how the potential impact of these risks.

3.13 Each of the budget elements above has different elements of financial risk :-

- Adult Social Care – the key risk here – apart for the on-going management of operational pressures – is the impact of the spending review on the resources available to the Councils. Councils may have to ask their operational departments for significant levels of efficiency schemes which may have an impact on the operational department's ability to achieve their goals. In any event such programmes will consume management time which could be otherwise utilised in service development and redesign by the IJB.
- Core (ex CHP) budgets – the key financial pressure (and overall

funding pressures and other operational pressures are also issues in these budgets) lies within GP Prescribing wherein the average drug price has been and remains higher than the values used in the budget setting model. This is likely to remain a significant challenge in 16/17

- Hosted services – there are two key risks
 - An operational risk as above
 - The ‘sharing’ mechanism as discussed above.
- ‘Set Aside’ (Acute services)
The risks are the same as those with hosted services but the quantum of the financial pressures are considerably greater.

In both the Council and NHS Lothian budgets are underpinned by a range of efficiency schemes. In NHS Lothian it has proven very challenging to achieve these efficiencies on a recurrent basis especially within the Acute system.

3.14 ‘New’ Risks and ‘Old’ risks

Part of the risk sharing protocols above will have to consider the difference between new and old risks. Old risks are those of which the partners are already aware and those which they are currently considering management actions to support. However, as the IJB issues directions and makes changes to the way functions are delivered then the IJB might create financial risks that are not currently known to the system. The IJB will have to develop strategies to manage these risks as they will be of their own creation.

- 3.14 It’s important to note that although the IJB may have reservations about its proposed budgets, if it does not accept these budgets then it has no resources to support its Strategic Plan. In essence the IJB would not be able to publish its Strategic Plan.

3.15 Initial Conclusions

It’s apparent that 16/17 will be challenging financially and that the IJB’s influence on the 16/17 financial plans is limited. Risk sharing protocols will require to be drawn up both between the IJB and the partners and between the four Lothian IJBs. These should be, however, strictly time limited.

The issue of shares of pan Lothian services requires some sort of resolution in 16/17. The proposal being under development is that the IJB ‘accepts’ the proposals from NHS Lothian for 16/17 with the provisos that NHS Lothian presents to the IJB a clear view of the IJB’s ‘fair share’ of that service along with an analysis of the IJB’s historic usage of that service and that these shares are not set forever. The IJB

will have to ensure that its usage is in line with its fair share before the IJB is able to make any redesign of any service.

3.16 Directions

The IJB will action its Strategic Plan through directions to the Council and NHS Lothian. These directions require to lay out the financial resources allocated by the IJB to achieve the function(s). A paper will be presented to the IJB laying out a policy as to what is contained within directions and how these will be monitored. It is assumed that directions will be issued for the totality of the resources allocated to the IJB (that is both the payments and the set aside) and that directions will vary in specificity depending on the priorities for those functions in the Strategic Plan

3.16 Reporting

The IJB will require an appropriate reporting mechanism to allow it to monitor the achievement of its Strategic Plan through the outcome of its directions and reports to show the consumption of allocated resources. The integration scheme has specific sections on the management of over and underspends and a mechanism to report on this needs to be developed.

A further paper will be prepared for the IJB considering these matters and proposing a position.

3.17 Next Steps

As NHS Lothian and East Lothian Council continue to develop their financial plans and produce further considerations on financial assurance, this will be reported to the IJB.

The Strategic Plan will continue to be developed with whatever indicative financial information is available from the partners, but the partners must make indicative financial information available

The Scottish Government's guidance on financial assurance recommends that Internal Audit review the process to provide the IJB with further assurance. Having appointed a Chief Internal Auditor (CIA) the Chief Finance Officer will engage with the CIA and start this review

5 POLICY IMPLICATIONS

5.1 The relevant policy issues referred to in this report arise from the Public Bodies (Joint Working) (Scotland) Act 2014.

6 EQUALITIES IMPLICATIONS

6.1 There is no direct impact on inequalities arising from this report.

7 RESOURCE IMPLICATIONS

7.1 There are no additional resource implications arising from the content of this report.

8 BACKGROUND PAPERS

8.1 Report to the IJB – 27 August 2015.

AUTHOR'S NAME	David King
DESIGNATION	Chief Finance Officer (Designate)
CONTACT INFO	david.king@nhslothian.scot.nhs.uk
DATE	20 October 2015

Appendix – Consideration of risks

Health Costcentre Allocations – the IJB will have to review this list to ensure that its understanding of functions delegated to it has been reflected in the resources made available.

Costcentre Shares – in 15/16 it is unlikely that sufficient activity information will be available that is both agreed by all parties and is able to be mapped onto the financial information. On that basis much of the ‘shares’ for both pan-Lothian hosted services and Acute ‘set aside’ will be proxies and therefore these budgets will be indicative. The IJBs will have to decide their priority areas and budgets for these areas will require further analysis.

Fair Shares – historic usage of health services (both these services specifically allocated to the IJB and the shares of pan-Lothian services) is not necessarily a ‘fair’ share of the overall resource. The IJB will have to agree what a model for a ‘fair share’ is and then compare that to the shares which it is has been allocated.

Income – some Lothian costcentres have income assumptions embedded in them (income being resources that are not directly allocated by the SG to the Health Board) and elements of the Social Care services are underpinned by charges to clients. It is important that these income assumptions are clearly understood by the IJB and any risks therein highlighted.

Previous performance – part of the analysis of the past years actual out-turns will indicate issues arising from previous years.

Deviation for the Financial Plans – any deviation for the underlying position that drove the financial plan (increases in costs bases, increase in demand etc) will generate financial pressures. This will be seen through the operational reporting of the service position and the IJB needs to ensure that this information is reported to it along with proposed recovery plans as appropriate.

Efficiencies – as was discussed above, a key element of the financial planning process are the agreed efficiency schemes. The IJB will require to understand the risks around the delivery of schemes that impact on any services delegated to it and will have to consider future efficiency plans and the impact that these plans will have on any future resources delegated to the IJB.

Size – The four IJBs within the Lothian Health Board area are different in size. Inevitably the largest IJB’s plan will impact on the plans of smaller IJBs – especially in the redesign of pan-Lothian services. Although there are agreements within the Integration Schemes that the IJB will work together within Health Services, the impact of one IJB’s plans on the delivery of social care can impact on other IJBs which are (in geographical terms) very close - payments for Care Home Places for example or the available of Care at Home staff..

GMS – the GMS budgets are held at GP Practice level and these are largely a function of the GP Practice list sizes. As list sizes change, GMS budgets will change and this is not within the gift of the IJB. The IJB will have to recognise that the budget setting for IJBs is undertaken on a different basis that other budgets.

Prescribing – the CHPs have historically shared the risk around the GP Prescribing budgets. A considerable amount of work has taken place over the years to establish ‘fair share’ GP Prescribing budgets but this has not proven practical and a protocol is required to manage this financial risk.

Non-cash Limited – there are a range of payments made to Primary Care Practitioners (Opticians, Pharmacists and Dentists) for which there are no budgets. These services are, however fully funded by the Scottish Government and therefore do not, at this time, present a financial risk. That said, there is not a geographical analysis of these services and although PC Practitioner payments are delegated to the IJBs there is no mechanism to split these costs over the IJBs. The IJBs will have to agree a model to manage these payments.

Management Resources – the IJB does not have a management team as such. It has only two officers reporting to it and these officers will be supported by staff who will work directly for either the Council or the Health Board. The IJB will have to assure itself that it is properly supported.

Management of ‘non local’ services – In practice the IJB’s Chief Officer will also manage a range of services much of which will be delegated to that IJB. This team will therefore be part of the support to the IJB however there will be services (Hosted services) which are managed in totality by the management team but only an element of which is delegated to the IJB and there are services (‘Set aside’)(which are not managed by the Management Team at all. The IJB will have to set up a mechanism by which it can be assured of appropriate management of services which are delegated to it but into which it does not have any management input.

Corporate support – there are two risks herein :-

- It has been agreed only to delegate ‘direct’ budgets – that is facilities costs and property running costs are charged to budgets that are managed corporately by both the council and the health board.
- The corporate resources (Planning, finance, HR, IT, performance management etc) will be largely similarly supplied by the Council and the Health Board. The Integration Scheme lays out a mechanism to provide such support to the IJB and the IJB requires assurance that this support is adequate.

Corporate reserves – NHS Lothian holds some ‘Strategic’ budget corporately much of which represent services that have been delegated. A mechanism is required to disaggregate these and ensure that the IJB can plan for the use of these resources.

Future financial plan – the guidance clearly lays out that the Council and the Health Board should indicate the 15/16 and 16/17 financial settlements. The IJB needs to consider how it will bring its financial planning and strategic planning processes for these years into line with the financial planning processes of the Council and the Health Board

Non-recurrent Support – there is a considerable element of non-recurrent support in the Health system, both in terms of allocations that are time limited and non-recurrent resources used to underpin in year pressures. The IJB

should establish if there are any non-recurrent resources available to it in the financial year and the budget setting process should clearly show the recurrency of the resources delegated

Income – both the Health and to a greater extent the Social Care operational budgets are supported by income. In health this is generally income from outwith Lothian (from other Scottish Health Boards or from other government bodies) and within Social Care this income is from chargeable services. As activity varies then the income may vary. However, generally the costs are fixed and therefore this might generate a pressures within the operational budget.

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 29 October 2015

BY: Chief Officer

SUBJECT: Strategic Plan Update

9

1 PURPOSE

- 1.1 This report provides an update on the development of East Lothian Integration Joint Board's Strategic Plan for adult services. It supplements the comprehensive report of [27 August 2015](#) and identifies key timescales and next steps, including the process of consultation in line with the Public Bodies (Joint Working) (Scotland) Act.
- 1.2 Any member wishing additional information should contact the author of the report in advance of the meeting.

2 RECOMMENDATIONS

The Integration Joint Board is recommended to:

- 2.1 Note that a second draft of the Strategic Plan will be presented to the IJB on 26 November with a proposal for a second period of stakeholder consultation to be held during December 2015 and January 2016.

3. BACKGROUND

- 3.1 The [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) places a duty on Integration Authorities to develop a Strategic Plan for integrated functions and budgets under their control which is designed in collaboration with their partners.
- 3.2 The Act requires each Integration Authority to establish a Strategic Planning Group (SPG) whose role is in developing and finalising the Strategic Plan and in continuing to review progress, measured against the statutory outcomes for health and wellbeing and associated indicators. The SPG is well established in East Lothian and has been actively involved in the process of the Strategic Plan development to date.

- 3.3 The first strategic plan of an Integration Authority must be prepared before the integration start date, which is the date on which the Health Board and the Local Authority delegate functions, based on directions aligned to the Strategic Plan. In East Lothian the start date is agreed as 1 April 2016 and the Strategic Plan must be fully prepared in advance of this so that the Integration Authority can function immediately.
- 3.4 As required by legislation and as fully described in previous reports, a second draft of the Strategic Plan is being finalised following the initial consultation process on a first draft, with a further engagement and consultative period required before adoption.
- 3.5 The Strategic Plan must describe the capacity required by the partnership population along the spectrum of care of delegated functions. Resources within the scope of the Strategic Plan comprise the payment made to the IJB by the Local Authority for delegated adult social care services, the payment made to the IJB by the Health Board for delegated primary and community healthcare services and for delegated hospital services, and the amount set aside by the Health Board for delegated services provided in large hospitals for the population of the IJB.
- 3.6 Lothian Health Board and East Lothian Council will make payments to the IJB in respect of the delegated functions and the IJB, via the mechanism of the Strategic Plan, will give directions and make payment where relevant to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan. (The legislation uses the term payment for the transfer of resources. This term does not necessitate cash transactions.). The detail of developing directions aligned to the final version of East Lothian's plan is being agreed and finalised with the Chief Officer, Chief Finance Officer and Section 95 Officer.
- 3.7 It is anticipated that the directions for year one especially will be a mixture of continuity and change. For the majority of services it is likely that the IJB will direct that services should continue as they are. In some cases it is anticipated that the IJB will require to direct change either because it is happening anyway e.g. Carers Strategy Support as determined by legislation and/or because it has been identified as an immediate priority through the strategic planning process e.g. reducing use of unscheduled hospital care.
- 3.8 Care Inspectorate and Healthcare Improvement Scotland completed a joint inspection of older people's services in East Lothian between August and October 2015 and initial feedback from this process is expected in early November 2015. The process supporting the second draft has been explicitly timed in order to incorporate the key findings and recommendations from the inspection report into the Strategic Plan whilst equally ensuring appropriate consultation, agreement and delegation of functions within a challenging timeline.

- .3.9 It is intended that, following endorsement and recommendation from the Strategic Planning Group, the second draft will be presented to the IJB on 26 November to request agreement to consult. A consultation process, similar to that carried out for the first iteration, will be held over the course of December 2015 and January 2016. With the support and input of the Strategic Planning Group, feedback from this consultation process will be incorporated into a final version of the Strategic Plan which will be proposed for adoption by the IJB in advance of 1 April 2016 as required by legislation.

4. POLICY IMPLICATIONS

- 4.1 The implementation of recommendations made in this report will ensure that the IJB complies with legal requirements.

5 EQUALITIES IMPLICATIONS

- 5.1 The Strategic Plan places a strong and explicit emphasis on designing services and approaches which will more effectively address the continuing health inequalities in East Lothian. An equality impact assessment will be completed on 17 November 2015 and incorporated in the consultation draft.

6. RESOURCE IMPLICATIONS

- 6.1 There are no resource implications associated with this report.

7. BACKGROUND PAPERS

- 7.1 IJB Strategic Plan report, 27 August 2015.
7.2 East Lothian Strategic Plan: Second consultation working draft.

AUTHOR'S NAME	Carol Lumsden
DESIGNATION	Transformation and Integration Manager
CONTACT INFO	Carol.lumsden@nhslothian.scot.nhs.uk
DATE	19 October 2015

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 29 October 2015

BY: Chief Officer

SUBJECT: Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)

10

1 PURPOSE

To seek approval to apply for the IJB to become a member of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)

2 RECOMMENDATIONS

It is recommended that the IJB:

- 2.1 Note the content of this Report; and
- 2.2 Agrees to apply to the Scottish Ministers to join CNORIS.

3 BACKGROUND

CNORIS

- 3.1 The CNORIS is a risk transfer and financing scheme, which was established in 1999 for NHS organisations in Scotland. It provides a cost-effective approach to 'insuring' the NHS against claims made against it. NHS National Services Scotland is the scheme manager and its primary objective is to provide effective risk pooling and claims management arrangements for Scotland's NHS Boards and Special Health Boards. The basic objectives of the scheme are:

- Provide advice on clinical and no-clinical scheme coverage to all parts of the NHS in Scotland;
- Support scheme members in an advisory capacity in order to reduce their risks;

- Indemnify its members against losses which qualify for the scheme cover;
 - Allocate equitable contributions amongst its members to fund its qualifying losses;
 - Provide members with scheme financial updated throughout the year to help with end-of-year budgeting; and
 - Help manage risk by providing members with clinical and non-clinical loss analysis throughout the year.
- 3.2 The Scottish Government Health and Social Care Directorate (SGHSCD) funds all large losses (i.e. those that breach CNORIS deductibles, which is equivalent to the policy excess in insurance terms) during each financial year. At the end of the financial year, CNORIS collects funds from members to pay back the deficit accrued in-year by SGHSCD. In order to share the cost fairly between members, clinical and non-clinical risk profiles are created which determine relative risks for each organisation. The total annual deficit is then shared between the members according to their proportion of the overall risk.
- 3.3 The Public Bodies (Joint Working) (Scotland) Act 2014 provides for the extension of CNORIS to local authorities and Integration Joint Boards.
- 3.4 Integration Joint Boards can apply to the Scottish Ministers to become a member. This includes cover with respect to health and social care functions so far as delegated to the IJB by the constituent parties.

IJB Cover

- 3.5 CNORIS provides a wide range of covers, similar to traditional insurance packages, for its members. These include Clinical Negligence cover, Employers liability and Public/ Product Liability.
- 3.6 After functions are delegated to the IJB, operational delivery of the services will remain with NHS Lothian and East Lothian Council. However, there is a risk that a claim could be made against the IJB in respect of decisions it has made in the course of its business. Therefore, it is prudent for the IJB to apply to be a member of the scheme before any decisions are made in relation to services e.g. before approving the Strategic Plan.

4 POLICY IMPLICATIONS

- 4.1 There are no further policy implications arising from this report.

5 EQUALITIES IMPLICATIONS

- 5.1 There are no equalities issues arising from any decisions made on this report.

6 RESOURCE IMPLICATIONS

- 6.1 The initial annual cost for the IJBS to join is £3,000. This is based on initial assessment of the likely risk during year 1 and on the arrangements for comparator organisations already within CNORIS.
- 6.2 The scheme deductible amount is £25,000 i.e. the excess amount.

7 BACKGROUND PAPERS

- 7.1 None.

AUTHOR'S NAME	Joanne McCabe
DESIGNATION	Senior Solicitor – East Lothian Council
CONTACT INFO	01620 827378 jmccabe@eastlothian.gov.uk
DATE	19 October 2015

REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 29 October 2015
BY: Chief Officer
SUBJECT: Members' Code of Conduct

11

1 PURPOSE

To approve the Integration Joint Board Members' Code of Conduct for submission to the Scottish Ministers for approval.

2 RECOMMENDATIONS

It is recommended that the IJB:

- 2.1 To approve the draft Integration Joint Board Members' Code of Conduct for submission to the Scottish Ministers for approval.
- 2.2 To agree that members should abide by the terms of the draft Integration Joint Board Members' Code of Conduct on an interim basis, pending approval and formal adoption.
- 2.3 To agree to respond to the Scottish Government's Consultation on the amendment to The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 by agreeing to the proposed changes in relation to Conflict of Interest.
- 2.4 To note that procedures and forms have been prepared to assist members in completing and maintaining their Registers of Interests and complying with the statutory obligations arising from their appointment to the IJB.
- 2.5 To agree the appointment of the Chief Officer as the Standards Officer for the IJB.

3 BACKGROUND

- 3.1 The Public Bodies (Joint Working)(Scotland) Act 2014 (Consequential Amendments and Savings) Order 2015 has determined that Integration

Joint Boards are 'devolved public bodies' for the purposes of the Ethical Standards in Public Life etc (Scotland) Act 2000.

- 3.2 The Ethical Standards in Public Life etc (Scotland) Act 2000 (the 'Act') requires that Scottish Ministers provide a model code for devolved public bodies, This was first produced in 2002 and was subsequently revised in December 2013 to ensure consistency with Councillors Code of Conduct.
- 3.3 As a devolved public body, the IJB is required to prepare its own Code of Conduct, based on the Model Code issued by the Scottish Ministers. The draft Code of Conduct then has to be submitted to the Scottish Ministers for approval before it is formally adopted and applied to the members of the body concerned.
- 3.4 Work has been undertaken between NHS Lothian and four Lothian local authorities to produce a revised Members' Code of Conduct ('Members' Code') based on the model code but that takes into account the specific aspects of the IJB.
- 3.5 The proposed changes to the model code are contained as tracked changes in Appendix One. If the IJB is minded to approve the Members' Code, it will be submitted to the Scottish Ministers for approval. The Scottish Ministers will then determine when the Members' Code will come into effect.
- 3.6 The general contents of the Members' Code will be familiar to voting members as it shares similar characteristics with NHS board members and the Councillors' Code of Conduct. It is important to note that the Members' Code applies to all members of the IJB, the voting and non-voting. Its main features are:-
 - A list of key principles which govern all conduct – duty, selflessness, integrity, objectivity, accountability and stewardship, openness, honesty, leadership and respect
 - Provision that those principles apply to all conduct when acting as a member of the IJB, in dealings with fellow members, employees, stakeholders and the public in general
 - Rules about the acceptance of gifts and hospitality
 - Confidentiality requirements
 - A duty to complete and maintain a Register of Interests, open to the public, recording significant interests in relation to remuneration; related undertakings; contracts; houses, land and buildings; shares and securities; gifts and hospitality; and non-financial interests
 - An obligation to declare any interests at meetings of the IJB and its committees which the member considers may fall foul of the "objective test" – whether a member of the public, with knowledge

of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice discussion or decision-making

- A process whereby the rest of the voting members present are to decide if the member declaring an interest should withdraw or may remain (this is based on the current provisions in the regulations which are to be amended at a future date to leave the decision about withdrawal to the declaring member as his or her personal responsibility as per the Councillors and NHS Board members code of conduct. There is a current consultation on this issue where the IJB is asked whether or not it agrees with this amendment to the legislation. Appendix 2 contains the Consultation Letter)
 - Guidance on lobbying
 - The Code makes it explicit that IJB members do not require to declare at meetings their membership of or employment by the council or the health board as a matter of routine, unless there are particular circumstances which go beyond the simple fact of that membership or employment. This matches the position for IJB members when they attend internal health board or council meetings – dispensations have been granted by the Standards Commission to avoid that happening
- 3.7 Complaints can be made to the Commissioner for Ethical Standards who investigates and determines if there has been a breach and so whether a reference to the Standards Commission for Scotland is necessary. The Commission may then hold a hearing, and can apply sanctions including censure, suspension and disqualification as a matter of routine
- 3.8 Upon appointment, IJB members were provided with a form to complete to populate their Register for the first time. Regular reminders will be issued to ensure members keep their register up to date, but members have personal responsibility to declare any changes or additions as they occur. The Register will be published and made available to the public through the internet and on request.
- 3.9 The agenda for every IJB meeting will include “Declarations of Interest” as a standing item, and even where no declarations are made the minute will record that. Both are intended to assist members in keeping the Members; Code in the forefront of their minds and to demonstrate to the public awareness of and compliance with the Code.
- 3.10 Initial advice will be made available to members as they are appointed, both in relation to populating their Registers and compliance at meetings. *Ad hoc* advice will be available on request to members in relation to the Register, and declarations and withdrawal from meetings.

- 3.11 The Act requires that the IJB appoints a Standards Officer. It is proposed that the Chief Officer will be the Standards Officer at this time.
- 3.12 Compliance with the Members' Code is a matter that will be significant to the corporate governance of the IJB and may be subject to audit when arrangements are made for the provision of an internal audit service and possibly an Audit & Governance Committee.
- 3.13 There will be a lapse of time between the IJB's agreement to the terms of the Members' Code and its approval and formal adoption. It is therefore proposed that members should agree to observe and abide by the Members' Code as if it were already approved and adopted.

4 POLICY IMPLICATIONS

- 4.1 The Members' Code is required by legislation and the IJB would not comply if it did not adopt the code.

5 EQUALITIES IMPLICATIONS

- 5.1 There are no equalities issues arising from any decisions made on this report.

6 RESOURCE IMPLICATIONS

- 6.1 There are no resource implications arising from the consideration of this report.

7 BACKGROUND PAPERS

- 7.1 Ethical Standards in Public Life etc. (Scotland) Act 2000
- 7.2 Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003
- 7.3 Model Code of Conduct
<http://www.gov.scot/Resource/0044/00442087.pdf>
- 7.4 Guidance on the Model Code Of Conduct for Members of Devolved Public Bodies
http://www.standardscommissionscotland.org.uk/webfm_send/392

AUTHOR'S NAME	Joanne McCabe
DESIGNATION	Senior Solicitor – East Lothian Council
CONTACT INFO	01620 827378 jmccabe@eastlothian.gov.uk
DATE	19 October 2015

**CODE OF CONDUCT FOR MEMBERS OF
THE INTEGRATION JOINT BOARD**

| 18 JUNE 2015

CODE OF CONDUCT FOR MEMBERS OF THE INTEGRATION JOINT BOARD

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SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

- 1.1 The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. You must meet those expectations by ensuring that your conduct is above reproach.
- 1.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000, "the Act", provides for Codes of Conduct for local authority Councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland, "The Standards Commission" to oversee the new framework and deal with alleged breaches of the codes.
- 1.3 The Act requires the Scottish Ministers to lay before Parliament a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies. The Model Code for ~~members~~ Members of Devolved Public Bodies was first introduced in 2002 and has now been revised in December 2013 following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was revised in 2010 following the approval of the Scottish Parliament. The Public Bodies (Joint Working) (Scotland) Act 2014 (Consequential Amendments & Savings) Order 2015 has determined that integration joint boards are "devolved public bodies" for the purposes of the Ethical Standards in Public Life etc (Scotland) Act 2000.
- 1.4 As a member of the Integration Joint Board (IJB), it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct which has now been made by the ~~Board~~ IJB.

Appointments to the Boards of Public Bodies

- 1.5 Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In addition, the Scottish Government's equality outcome on public appointments is to ensure that Ministerial appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board's appointments process should encourage as many suitable people to apply for positions and be free from unnecessary barriers. You should therefore be aware of the varied roles and functions of the public body on which you serve and of wider diversity and equality issues. You should also take steps to familiarise yourself with the appointment process that your board will have agreed with the Scottish Government's Public Appointment Centre of Expertise.
- 1.6 You should also familiarise yourself with how the public body's policy operates in relation to succession planning, which should ensure public bodies have a strategy to make sure they have the staff in place with the skills, knowledge and experience necessary to fulfil their role economically, efficiently and effectively.

Guidance on the Code of Conduct

- 1.7 You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.
- 1.8 The Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the public body. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.
- 1.9 –You should familiarise yourself –with the Scottish Government publication "On Board - a guide for board members of public bodies in Scotland". This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

Enforcement

- 1.10 Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that will be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in **Annex A**.

SECTION 2: KEY PRINCIPLES OF THE CODE OF CONDUCT

- 2.1 The general principles upon which this Code is based should be used for guidance and interpretation only. These general principles are:

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of the public body of which you are a member and in accordance with the core functions and duties of that body.

Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends .

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of the public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.

Respect

You must respect fellow members of your public body and employees of the body and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing duties as a member of your public body.

- 2.2 You should apply the principles of this Code to your dealings with fellow members of the public body, its employees and other stakeholders. Similarly you should also observe the principles of this Code in dealings with the public when performing duties as a member of the public body.

SECTION 3: GENERAL CONDUCT

- 3.1 The rules of good conduct in this section must be observed in all situations where you act as a member of the public body.

Conduct at Meetings

- 3.2 You must respect the Chair, your colleagues and employees of the public body in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

Relationship with Board Members and Employees of the Public Body (including those employed by contractors providing services)

3.3 You will treat your fellow board members and any staff employed by the body with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. Public bodies should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of the public body in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

Remuneration, Allowances and Expenses

3.4 You must comply with any rules of the public body regarding remuneration, allowances and expenses.

Gifts and Hospitality

3.5 You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term "gift" includes benefits such as relief from indebtedness, loan concessions or provision of services at a cost below that generally charged to members of the public.

3.6 You must never ask for gifts or hospitality.

3.7 You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in your public body. As a general guide, it is usually appropriate to refuse offers except:

- (a) isolated gifts of a trivial character, the value of which must not exceed £50;
- (b) normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or
- (c) gifts received on behalf of the public body.

3.8 You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision your body may be involved in determining, or who is seeking to do business with your organisation, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of your public body then, as a general rule, you should ensure that your body pays for the cost of the visit.

- 3.9 You must not accept repeated hospitality or repeated gifts from the same source.
- 3.10 Members of devolved public bodies should familiarise themselves with the terms of the Bribery Act 2010 which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality Requirements

- 3.11 There may be times when you will be required to treat discussions, documents or other information relating to the work of the body in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect the confidential nature of such information and comply with the requirement to keep such information private.
- 3.12 It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purposes of personal or financial gain, or for political purposes or used in such a way as to bring the public body into disrepute.

Use of Public Body Facilities

- 3.13 Members of public bodies must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services etc. must be in accordance with the public body's policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of the public body.

Appointment to Partner Organisations by the IJB

- 3.14 You may be appointed, or nominated by your public body, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code in carrying out the duties of that body.
- 3.15 Members who become directors of companies as nominees of their public body will assume personal responsibilities under the Companies Acts. It is possible that conflicts of interest can arise for such members between the company and the public body. It is your responsibility to take advice on your responsibilities to the public body and to the company. This will include questions of declarations of interest.

SECTION 4: REGISTRATION OF INTERESTS

- 4.1 The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called "Registerable Interests". You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the body's Register. It is your duty to ensure any changes in circumstances are reported within one month of them changing.
- 4.2 The Regulations¹ as amended describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances. Annex B contains key definitions and explanatory notes to help you decide what is required when registering your interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse or cohabitee.

Category One: Remuneration

- 4.3 You have a Registerable Interest where you receive remuneration by virtue of being:
- employed;
 - self-employed;
 - the holder of an office;
 - a director of an undertaking;
 - a partner in a firm; or
 - undertaking a trade, profession or vocation or any other work.
- 4.4 In relation to 4.3 above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.
- 4.5 If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, "Related Undertakings".
- 4.6 If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.
- 4.7 When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.
- 4.8 When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.

¹ SSI - The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

- 4.9 Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.
- 4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.
- 4.11 Registration of a pension is not required as this falls outside the scope of the category.

Category Two: Related Undertakings

- 4.12 You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.
- 4.13 You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration .
- 4.14 The situations to which the above paragraphs apply are as follows :
- you are a director of a board of an undertaking and receive remuneration declared under category one - and
 - you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts

- 4.15 You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.19 below) have made a contract with the public body of which you are a member:
- (i) under which goods or services are to be provided, or works are to be executed; and
 - (ii) which has not been fully discharged.
- 4.16 You must ~~register~~ a description of the contract, including its duration, but excluding the consideration.

Category Four: Houses, Land and Buildings

- 4.17 You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed.

4.18 The test to be applied when considering the appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision making.

Category Five: Interest in Shares and Securities

4.19 You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of (a) the body to which you are appointed and (b) the nominal value of the shares is:

- (i) greater than 1% of the issued share capital of the company or other body;
or
- (ii) greater than £25,000.

4.20 Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

Category Six: Gifts and Hospitality

4.21 You must register the details of any gifts or hospitality received within your current term of office. This record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in paragraph 3.7 (a) to (c) of this Code.

Category Seven: Non-Financial Interests

4.22 You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

4.23 In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.

SECTION 5: DECLARATION OF INTERESTS

General

5.1 –The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for

~~you to declare certain interests in proceedings of the public body. Together~~ with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.

5.2 Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances ~~in~~ which a business or personal interest must be declared. Public confidence in the public body and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

5.3 In considering whether to make a declaration in any proceedings, ~~you~~ must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must, however, always comply with the objective test ("the objective test") which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a member of a public body.

5.4 As a member of a public body you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between your public body and another body. Keep particularly in mind the advice in paragraph 3.15 of this Code about your legal responsibilities to any limited company of which you are a director.

5.45 –It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If you are unsure as to whether a conflict of interest exists, you should seek advice from the IJB chair.

5.6 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) (Order) 2014 states:

“5.—(1) A member must disclose any direct or indirect pecuniary or other interest in relation to an item of business to be transacted at a meeting of the integration joint board, or a committee of the integration joint board, before taking part in any discussion on that item.

(2) Where an interest is disclosed under sub-paragraph (1), the other members present at the meeting in question must decide whether the member declaring the interest is to be prohibited from taking part in discussion of or voting on the item of business.”

5.7 The above provision makes this Code of Conduct different from the codes of conduct for councils and other devolved public bodies. Once you have declared an interest, it is not for you to determine whether or not you may remain in the meeting and participate in the discussion and voting (should you be a voting member). The other voting members will determine this.

5.8 Only if you believe that, in the particular circumstances, the nature of the interest is

~~you to declare certain interests in proceedings of the public body. Together so remote or without significance, should it not be declared. The following section describes the interests which are not subject to your own judgement and must always be declared.~~

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~~If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a board member is unsure as to whether a conflict of interest exists, they should seek advice from the board chair.~~

~~5.5 As a member of a public body you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between your public body and another body. Keep particularly in mind the advice in paragraph 3.15 of this Code about your legal responsibilities to any limited company of which you are a director.~~

Interests which ~~Require Declaration~~ must be declared

~~5.6—8~~ Interests which ~~require to~~ must be declared if known to you may be financial or non-financial. They may or may not cover interests which are ~~registerable under the term~~ to be registered under Section 4 of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The ~~following~~ paragraphs ~~which follow~~ deal with (a) your financial interests (b) your non-financial interests and (c) the interests, financial and non-financial, of other persons.

~~5.7—9~~ You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private

~~and~~ personal interests and not because of your role as a member of a public body. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of a public body as opposed to the interest of an ordinary member of the public.

~~5.8 — There is no need to declare an interest in your capacity as:~~

~~5.8.1 An employee of NHS Lothian or the Council;~~

~~5.8.2 A councillor; and~~

~~5.8.3 A board member of NHS Lothian.~~

a) Your Financial Interests

~~5.10 5.89~~—You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in Section 4 of this Code).

~~5.11 If under Category One (“Remuneration”) or Category Seven (“Non Financial Interests”) you have registered an interest as :~~

- ~~a) An employee of the IJB, or one of its constituent authorities (i.e. Lothian NHS Board or the relevant local authority)~~
- ~~b) A councillor from the local authority or a member of Lothian NHS Board which has appointed you as a voting member of the IJB~~

~~then you do not, for that reason alone, have to declare that interest. You should however always consider whether your activities in the above roles have a direct bearing on a specific item of business that the integration joint board or one of its committees is considering, e.g. you may have had a high degree of personal involvement in preparing or approving the item before it was presented. In those circumstances you are advised to declare the interest.~~

~~You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.~~

~~If a member of the Board declares an interest, the IJB must determine whether that individual member should be prohibited from taking part in the discussion and consideration of that item.~~

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b) Your Non-Financial Interests

5.910 You must declare, if it is known to you, any non-financial interest if:

- (i) that interest has been registered under category seven (Non- Financial Interests) of Section 4 of the Code; or
- (ii) that interest would fall within the terms of the objective test.

~~You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.~~

~~If a member of the Board declares an interest, the IJB must determine whether that individual member should be prohibited from taking part in the discussion and consideration of that item.~~

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c) The Financial Interests of Other Persons

5.10—11 The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you any financial interest of:-

- (i) a spouse, a civil partner or a co-habitee;
- (ii) a close relative, close friend or close associate;
- (iii) an employer or a partner in a firm;
- (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- (v) a person from whom you have received a registerable gift or registerable hospitality;
- (vi) a person from whom you have received registerable expenses.

~~You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.~~

~~If a member of the Board declares an interest, the IJB must determine whether that individual member should be prohibited from taking part in the discussion and consideration of that item.~~

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~~5.44—12~~ This Code does not attempt the task of defining "relative" or "friend" or "associate". Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of the public body and, as such, would be covered by the objective test.

The Non-Financial Interests of Other Persons

5.4213 You must declare if it is known to you any non-financial interest of:-

- (i) a spouse, a civil partner or a co-habitee;
- (ii) a close relative, close friend or close associate;
- (iii) an employer or a partner in a firm;
- (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- (v) a person from whom you have received a registerable gift or registerable hospitality;
- (vi) a person from whom you have received registerable election expenses.

There is no need to declare the interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

~~If a member of the Board declares an interest, the IJB must determine whether that individual member should be prohibited from taking part in the discussion and consideration of that item. There is only a need to withdraw from the meeting if the interest is clear and substantial.~~

Making a Declaration

5.43—14 You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.

5.44—15 The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest". The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest and whether your interest is of sufficient significance to judge whether you can still take part in considering that item but need not give a detailed description of the interest. The statement should clarify whether the declaration is a financial or non-financial interest determine whether or not you may continue to participate in the

discussion and voting, if you are a voting member, on the item.

~~5.156 — If a member of the Board declares an interest, the IJB must determine whether that individual member should be prohibited from taking part in the discussion and consideration of that item.~~

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What Happens when you make a Declaration

5.16 The IJB (or if relevant, the committee) will consider your declared interest and decide whether you are to be prohibited from taking part in the discussion of or voting on the item of business.

5.17 If it is decided that you are to be prohibited, then you must withdraw from the meeting room until the discussion of the relevant item where you have a declarable interest is concluded.

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Frequent Declarations of Interest

~~5.15~~17 Public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

Dispensations

~~5.16~~18 In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before your public body and its committees.

~~5.17~~19 Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

SECTION 6: LOBBYING AND ACCESS TO MEMBERS OF PUBLIC BODIES

Introduction

- 6.1 In order for the public body to ~~fulfill~~fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which the public body conducts its business.
- 6.2 You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform your duties effectively. Some of these organisations and individuals will make their views known directly to individual members. The rules in this Code set out how you should conduct yourself in your contacts with those who would seek to influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.

Rules and Guidance

- 6.3 You must not, in relation to contact with any person or organisation that lobbies do anything which contravenes this Code or any other relevant rule of the public body or any statutory provision.
- 6.4 You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon the public body.
- 6.5 The public must be assured that no person or organisation will gain better access to or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which you accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another member of the public body.
- 6.6 Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation that is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that you know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code.
- 6.7 You should not accept any paid work:-
- (i) which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation.
 - (ii) to provide services as a strategist, adviser or consultant, for example, advising on how to influence the public body and its members. This does not prohibit you from being remunerated for activity which may arise

because of, or relate to, membership of the public body, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

- 6.8 If you have concerns about the approach or methods used by any person or organisation in their contacts with you, you must seek the guidance of the public body.

ANNEX A

SANCTIONS AVAILABLE TO THE STANDARDS COMMISSION FOR BREACH OF THE CODE

- (a) Censure - the Commission may reprimand the member but otherwise take no action against them;
- (b) Suspension - of the member for a maximum period of one year from attending one or more, but not all, of the following:
 - (i) all meetings of the public body;
 - (ii) all meetings of one or more committees or sub-committees of the public body;
 - (iii) all meetings of any other public body on which that member is a representative or nominee of the public body of which they are a member.
- (c) Suspension - for a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to in (b) above;
- (d) Disqualification - removing the member from membership of that public body for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of that public body be reduced, or not paid.

Where the Standards Commission disqualifies a member of a public body, it may go on to impose the following further sanctions:

- (a) Where the member of a public body is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from their public body and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.
- (b) Direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members' code applicable to that body is then in force) and may disqualify that person from office as the Water Industry Commissioner.

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Act.

ANNEX B DEFINITIONS

"**Chair**" includes Board Convener or any person discharging similar functions under alternative decision making structures.

"**Code**" code of conduct for members of devolved public bodies

"**Cohabitee**" includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

"**Group of companies**" has the same meaning as "group" in section 262(1) of the Companies Act 1985. A "group", within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.

"**Parent Undertaking**" is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking's memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking.

"**A person**" means a single individual or legal person and includes a group of companies.

"**Any person**" includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations .

"**Public body**" means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

"**Related Undertaking**" is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

"**Remuneration**" includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

"**Spouse**" does not include a former spouse or a spouse who is living separately and apart from you.

"**Undertaking**" means:

- a) a body corporate or partnership; or
- b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

ANNEX C

CONTACT INFORMATION

This Annex does not form part of the Code of Conduct, but is provided for reference.

Standards Commission for Scotland
Room T2.21,
Scottish Parliament
Edinburgh
EH99 1SP

Telephone 0131-348-6666

Fax 0131-557-9243

E-mail enquiries@standar.org.uk

Comment [AP1]: Who will be the Standards Officer for the IJB? Contact details for updating register etc should be in here.

Health and Social Care Integration Directorate
Integration and Reshaping Care Division

T: 0131-244 0638
E: lauren.glen@gov.scot



Local Authority Chief Executives
Health Board Chief Executives
Integration Joint Board Chief Officers
COSLA
Commissioner for Ethical Standards in Scotland
Standards Commission for Scotland
SOLAR

Dear Colleagues

Consultation letter

Executive Summary

The Scottish Government is considering making an amendment to the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 and to the Public Bodies (Joint Working) (Integration Joint Monitoring Committees) (Scotland) Order 2014, to resolve an existing conflict between the Integration Joint Board and Integration Joint Monitoring Committee Standing Orders, and the statutory Codes of Conduct for Councillors and members of devolved public bodies. This letter sets out in more detail the reasons for the proposed amendment, explains the effect of the changes and seeks views on the proposal.

Background

The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) put in place arrangements for integrating health and social care, in order to improve outcomes for patients, service users, carers and their families. The Act requires Health Boards and local authorities to work together effectively, to agree a model of integration to deliver quality, sustainable care services. Where partners agree to put in place a Body Corporate model, an Integration Joint Board will be established and will be responsible for the integrated arrangements and onward service delivery. Where partners have agreed a Lead Agency model, they are required to establish an Integration Joint Monitoring Committee for the purpose of monitoring the carrying out of the integration functions for the integration authority area.

Integration Joint Boards are “devolved public bodies” for the purposes of the Ethical Standards in Public Life (Scotland) Act 2000. As such members must discharge their duties in a manner that is seen to be honest, fair and unbiased and public bodies must ensure that conflicts of interest are identified and managed in a way that

maximises public confidence in the organisation's ability to deliver public services properly.

While Integration Joint Monitoring Committees are not independent entities in the same way as Integration Joint Boards are, any members who are Councillors or Health Board members will be required to comply with the Councillor's Code or a Health Board members Code.

Integration Joint Boards and Integration Joint Monitoring Committees are required to make standing orders for the regulation of their proceedings and business. Certain provisions which must be included in these standing orders are set out in the schedules to the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 and the Public Bodies (Joint Working) (Integration Joint Monitoring Committees) (Scotland) Order 2014. While these standing orders will govern the treatment of conflicts of interest, members may also be subject to the Councillors Code or a Health Board members Code. This results in a conflict between the standing orders for Integration Joint Boards and the Codes of Conduct for both Councillors and Health Board members.

Issue

The Model Code of Conduct for Devolved Public Bodies, on which Health Boards' Codes of Conduct for their members are based, places a requirement on members to declare any conflicts of interest and to apply the "Objective test" before taking a decision on whether they should have an involvement in discussions on the matter in question. The Councillors' Code of Conduct also takes this approach. Currently the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 and The Public Bodies (Joint Working) (Integration Joint Monitoring Committees) (Scotland) Order 2014 both require the standing orders of these bodies to include provision on members' conflicts of interest which place the decision making power on the other members of the Integration Joint Board. Accordingly, when a member of an Integration Joint Board or Integration Joint Monitoring Committee is also a Councillor, or a Health Board member, and faces a potential conflict of interest, they are subject to two different sets of rules as to how they should deal with this.

Proposed Legislative Changes

The Scottish Government intends to amend section 5, paragraph 2 of the Schedule to the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 and to section 5, paragraph 2 of the Schedule to the Public Bodies (Joint Working) (Integration Joint Monitoring Committees) (Scotland) Order 2014. These amendments will bring the required content of Integration Joint Board and Integration Joint Monitoring Committee standing orders into line with the provisions of the Councillors Code and Model Members' code. The amendments will be made by Order under section 12 of the Public Bodies (Joint Working) (Scotland) Act 2014.

Effect of the Proposed Legislative Changes

The legislative changes will have the effect of changing the process where a decision is taken with regards to a potential conflict of interests. A member who has

a potential conflict of interests will apply an “Objective test” to determine whether they can participate, as opposed to submitting the conflict for decision by the other members there present.

Views

We are taking this opportunity to invite comments and views on the proposal to bring the Integration Joint Board and Integration Joint Monitoring Committee standing orders into line with the Codes of Conduct for Councillors and members of devolved public bodies.

You are asked to indicate whether or not you support the proposed amendment to the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 and the Public Bodies (Joint Working) (Integration Joint Monitoring Committees) (Scotland) Order 2014. If you do not support the proposals we would ask you to provide details outlining your concerns about the proposed amendment.

A full list of those who have been invited to respond has been set out at Annex A.

I would be grateful if you could send your response to the email address below, by 9 November 2015.

Email: IRC@gov.scot

Yours sincerely



Lauren Glen
Integration and Reshaping Care Division

Annex A: List of invited respondents

1. East Ayrshire Integration Joint Board
2. North Ayrshire Integration Joint Board
3. South Ayrshire Integration Joint Board
4. Argyll and Bute Integration Joint Board
5. East Dunbartonshire Integration Joint Board
6. East Lothian Integration Joint Board
7. East Renfrewshire Integration Joint Board
8. Edinburgh City Integration Joint Board
9. Inverclyde Integration Joint Board
10. Midlothian Integration Joint Board
11. North Lanarkshire Integration Joint Board
12. Renfrewshire Integration Joint Board
13. Shetland Islands Integration Joint Board
14. West Dunbartonshire Integration Joint Board
15. South Lanarkshire Integration Joint Board
16. West Lothian Integration Joint Board
17. Perth and Kinross Integration Joint Board
18. Dundee City Integration Joint Board
19. Angus Integration Joint Board
20. Dumfries and Galloway Integration Joint Board
21. Fife Integration Joint Board
22. Clackmannanshire and Stirling Integration Joint Board
23. Falkirk Integration Joint Board
24. Western Isles Integration Joint Board
25. Glasgow Shadow Integration Joint Board
26. Orkney Shadow Integration Joint Board
27. Scottish Borders Shadow Integration Joint Board
28. Moray Shadow Integration Joint Board
29. Aberdeen City Shadow Integration Joint Board
30. Aberdeenshire Shadow Integration Joint Board
31. NHS Ayrshire and Arran
32. NHS Borders
33. NHS Dumfries and Galloway
34. NHS Fife
35. NHS Forth Valley
36. NHS Grampian
37. NHS Highland
38. NHS Greater Glasgow and Clyde
39. NHS Lanarkshire
40. NHS Lothian
41. NHS Orkney
42. NHS Tayside
43. NHS Shetland
44. NHS Western Isles
45. Aberdeen City Council
46. Aberdeenshire Council
47. Angus Council
48. Argyll and Bute Council

49. City of Edinburgh Council
50. Clackmannanshire Council
51. Comhairle nan Eilean Siar
52. Dumfries and Galloway Council
53. Dundee City Council
54. East Ayrshire Council
55. East Dunbartonshire Council
56. East Lothian Council
57. East Renfrewshire Council
58. Falkirk Council
59. Fife Council
60. Glasgow City Council
61. Highland Council
62. Inverclyde Council
63. Midlothian Council
64. Moray Council
65. North Ayrshire Council
66. North Lanarkshire Council
67. Orkney Islands Council
68. Perth and Kinross Council
69. Renfrewshire Council
70. Scottish Borders Council
71. Shetland Islands Council
72. South Ayrshire Council
73. South Lanarkshire Council
74. Stirling Council
75. West Dunbartonshire
76. West Lothian
77. COSLA
78. Commissioner for Ethical Standards in Scotland
79. Standards Commission for Scotland
80. SOLAR

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 29 October 2015

BY: Chief Officer

SUBJECT: Proxies (For Voting Members)

12

1 PURPOSE

- 1.1 This report asks the East Lothian Integration Joint Board (IJB) to note the position with regard to proxies for voting members.

2 RECOMMENDATIONS

- 2.1 The IJB is recommended to:
- 2.2 Note the position with regard to proxies for voting members.

3 BACKGROUND

- 3.1 The standing orders of East Lothian IJB include the following section on proxies. Standing Order 1.6:

If a voting member is unable to attend a meeting of the Integration Joint Board, the relevant constituent authority is to use its best endeavours to arrange for a suitably experienced substitute, who is either a councillor, or as the case may be, a member of the health board. The substitute voting member may vote on decisions put to that meeting, but may not preside over the meeting. If a non-voting member is unable to attend a meeting of the Integration Joint Board, that member may arrange for a suitably experienced substitute to attend the meeting subject to prior agreement with the Chair.

- 3.2 It is proposed that if a Council member is unable to attend, the responsibility for identifying a proxy should lie with the leader of the administration if the absence is an administration member and with the leader of the opposition if the absence is a member of the opposition.

3.3 It is proposed that if an NHS Board member is unable to attend the responsibility for identifying a proxy should lie with the Chair or Vice Chair of the IJB, whichever is an NHS Board member.

3.4 Non voting members are asked to note the opportunity to have a substitute by prior agreement with the Chair.

4 POLICY IMPLICATIONS

4.1 The recommendations in this paper implement national legislation and regulations on the establishment on IJBs.

5 EQUALITIES IMPLICATIONS

5.1 There are no implications for equalities.

6 RESOURCE IMPLICATIONS

6.1 There are no resource implications of this paper.

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	David Small
DESIGNATION	Chief Officer
CONTACT INFO	david.a.small@nhslothian.scot.nhs.uk
DATE	05/10/15

REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 29 October 2015
BY: Chief Officer
SUBJECT: Membership of East Lothian Partnership

13

1 PURPOSE

- 1.1 This report seeks the agreement of the East Lothian Integration Joint Board (IJB) to the proposed nominations to the East Lothian Partnership.

2 RECOMMENDATIONS

- 2.1 The IJB is recommended to:
- 2.2 Agree the nominations of the Chair and Chief Officer to the East Lothian Partnership.

3 BACKGROUND

- 3.1 The East Lothian Partnership has recognised that the IJB is a new partner organisation in delivering the Single Outcome Agreement and has agreed to seek membership from the East Lothian IJB.
- 3.2 It is proposed that the IJB should nominate the Chair and Chief Officer to the East Lothian Partnership.

4 POLICY IMPLICATIONS

- 4.1 The recommendations in this paper implement the intent of national legislation and regulations on the establishment on IJBs.

5 EQUALITIES IMPLICATIONS

- 5.1 There are no equalities implications arising from this report.

6 RESOURCE IMPLICATIONS

6.1 There are no resource implications arising from this report.

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	David Small
DESIGNATION	Chief Officer
CONTACT INFO	david.a.small@nhslothian.scot.nhs.uk
DATE	17/10/15