

Community Pharmacy North East Central

CPNEC Corporate Governance 2023

Introduction

Community Pharmacy North East Central (CPNEC) is a body recognised under NHS legislation with a duty to represent the NHS pharmacy contractors in its area. CPNEC is funded by the contractors it represents and is accountable to those contractors for the work that it does on their behalf and for the effective and economical use of funds. High standards of corporate and personal conduct are a requirement for CPNEC and its members and all aspects of the CPNECS' operations must be open to critical scrutiny.

To achieve these standards, rules and procedures need to be in place and that is what good governance is about: making sure CPNEC is acting transparently, honestly and not in the self interest of its members. This is important if CPNEC is to have credibility with others: much of CPNECs external dealings are with the Integrated Care Board (ICB) which itself has stringent requirements for good governance and will expect sound governance arrangements in the organisations they work with - such as CPNECs.

CPNEC will provide the ICB with a statement of our governance arrangements when they are approved.

Principles of good governance

CPNEC has an agreed and accepted set of principles as a foundation of a system of good governance; these are normally referred to as the [Nolan principles](#).

Governance and CPNEC Constitution

CPNEC's [Constitution](#) is a key document setting out the membership of the committee and the constitutional rules under which it operates. It needs to be approved by contractors. Adherence to the constitution is a vital governance requirement and the constitution should be read and understood by all members and officers.

The model constitution provided by CPE incorporates governance requirements binding the committee to good governance as a constitutional requirement. CPNEC members should study their constitution and pay particular attention to the governance provisions

CPNEC has adopted the model [constitution](#) provided by Community Pharmacy England (CPE)

The constitution also gives explicit duties that bind CPNEC such as the need to hold an Annual General Meeting (AGM) and provide services to contractors.

So before taking any non-routine action CPNEC members should satisfy themselves that the committee has the power in the constitution to act in such a way; conversely the constitution

Greg Burke, Chief Officer
43 Brancepeth View, Brandon, Durham. DH7 8TT
Email: greg.burke@nhs.net
Tel: 0191 378 4831 Mob: 07795 805956
www.communitypharmacycountydurham.co.uk
<https://sunderland.communitypharmacy.org.uk/>

should be examined to make sure CPNEC is discharging properly duties required under the constitution.

Declaration of Interests

As part of transparency and accountability, CPNEC members must complete a Declaration of Interests form specifying sources of remuneration, names of companies or other bodies in which the member has an interest and other sources of interest or pecuniary support which are relevant or which may be relevant to membership of CPNEC (**Appendix 1**).

The portfolio of Declarations of Interests will be openly available for inspection at CPNEC meetings. The Declarations of Interests will also be available via the website(s) and to contractors on request.

Declarations of Interests should be regularly reviewed and updated on an ongoing basis, annually at the very least.

Conflict of Interest

There may be instances where a CPNEC member has a conflict of interest, for example, consideration of a contract application in which the member is personally involved. In such cases, there is a duty upon members to advise the Chair of a possible conflict of interest. The Chair is then required to deal with the conflict. Courses of action can range from simply prohibiting the member the right to vote on the issue, to not allowing the member to take part in any discussion or asking the member to withdraw from the meeting whilst that matter is under consideration.

Clearly, members should not attempt to influence other members through canvassing or other activity prior to the meeting.

Confidentiality

CPNEC members, and in particular CPNEC staff will, during the course of their work, produce or acquire commercially sensitive or otherwise confidential information.

Sometimes there is an apparent conflict between confidentiality and openness. Whilst CPNEC should be open and transparent about the conduct of the Committee and its Members, some information can and should be kept confidential and covered by a Confidentiality Agreement. Information given to a CPNEC member in confidence, commercial information, and sensitive personal information for instance may fall into that category. Not divulging such information does not break the Nolan principles, but careful judgement is sometimes required as to whether openness or confidentiality should take precedence.

As a matter of good governance, CPNEC will ask all members and Officers to sign a Confidentiality Agreement (**Appendix 2 and 2A**).

Corporate Responsibility

During a debate on an issue at a CPNEC meeting members are able to express their views freely and firmly. However, once a decision has been taken by CPNEC then that decision is binding on all members irrespective of any counter views which may have been expressed during the debate.

Corporate responsibility means that individual members will publicly state only CPNEC's collective view on an issue and, as an CPNEC member, will not say or do anything to undermine CPNEC's position.

Individually CPNEC members have little if any power. The personal or individual views of a CPNEC member have little relevance outside of CPNEC. The only view that is relevant is that of CPNEC collectively.

It is important that CPNEC members make sure they are aware of the views and concerns of the contractors they represent - where a decision is to be made that will significantly affect contractors or a major financial expenditure is planned a more formal consultation may be needed or a meeting of contractors may need to be called.

Openness and Transparency

CPNEC is accountable to contractors for the way in which it conducts its business which should be done in an open and transparent manner.

As a matter of good governance, the agenda for CPNEC meetings will be made freely available, via the website(s), as will the minutes of CPNEC meetings. There should be no issues on CPNEC agenda or in CPNEC minutes which the Committee would want to hide from those to whom it is accountable – contractors.

The only caveat to this is that where certain confidential information is being considered, particularly commercially sensitive information, then this will be dealt with as a separate confidential agenda item and the minutes will be kept in the members' only section of the website.

CPNEC will ensure that an Annual General Meeting (AGM) is held, to account to contractors, on the work of the Committee and its finances. Sufficient notice will be given to contractors of the AGM and provision made for questions and comments to be put by contractors to the Committee at the meeting.

CPNEC will send its accounts to every contractor with the notice of the AGM. At the AGM the Treasurer will explain the accounts to contractors focussing on any unusual items of expenditure, the honoraria paid to officers of CPNEC and standard allowances paid to CPNEC members for their work. The Treasurer will also provide information on levy collections and expenditure in the current year at regular CPNEC meetings.

As part of the discharging of its duties to openness and accountability CPNEC will provide regular reports to contractors.

Financial Governance

Many of the principles of governance impinge on financial accountability. Contractors who fund CPNEC will expect openness and accountability in the way their levies are spent.

To achieve this, the role of Chief Officer and Treasurer are held by different people.

The Treasurer will give regular updates on finance at meetings of CPNEC and prepare annual accounts in sufficient detail, audited by a professional with a practising certificate. These accounts will be made available to contractors with the opportunity to query the accounts at the AGM. A copy of the accounts will also be sent to CPE.

Delegation of powers

CPNEC may sometimes set up working groups or sub-committees to deal with specific or detailed issues. When setting up such groups, the main committee may give certain powers to the sub-group. In such cases, CPNEC will set out very clearly the remit for the group with absolute clarity in the powers that the group has, together with an instruction that no action should be taken by the sub-group beyond its remit and powers without referring back to CPNEC.

Similarly, CPNEC may delegate power to individuals such as CPNEC Chief Officer or Chair - often this is power to act in an emergency where it is not possible to call CPNEC together. Where appropriate, CPNEC will set out the nature and limits of such delegation in writing to ensure they are adopted formally by resolution of CPNEC.

Again, the powers given to those individuals will be clear, as should the circumstances in which the power may be exercised. Particular care will be given not to grant too wide a discretion to individuals or sub-groups in the exercise of power and responsibilities.

Governance Health Check

A failure by CPNEC to have sound governance arrangements in place could result in challenges or possibly legal action against CPNEC by contractors suffering injustice or financial loss as the result of CPNEC's weak or lacking governance framework.

As unincorporated associations such a claim could mean that CPNEC members personally would be liable for any costs or compensation as a result of any successful legal action by an aggrieved contractor. By adopting these good governance arrangements, CPNEC will provide a useful safeguard for CPNEC members.

CPNEC Audit and Governance Committee will carry out regular annual checks (**Appendix 3**) to ensure that CPNEC is following good governance.

CODE OF CONDUCT – DECLARATION OF INTERESTS

Name: _____

1.	Remunerated Directorship of company(s) (public or private) and businesses owned personally or in partnership	
2.	Remunerated employment or offices	
3.	Remunerated Consultancy(s)	
4.	Remunerated work performed under contract	
5.	Names of companies or other bodies in which I have an interest, either on my own account, my spouse or infant children, for a beneficial interest in share holdings greater than the 10% of the share capital	
6.	Remunerated contributions to professional and scientific publications	
7.	Membership of other pharmaceutical bodies	

I agree to update this document at any time there is a change in my interests

Signed: _____ Date: _____

APPENDIX 2

CONFIDENTIALITY AGREEMENT FOR CPNEC STAFF

I understand that in the course of my work as CPNEC Secretary I will produce or acquire information that will be commercially sensitive or may for other reasons be information that CPNEC or the pharmacy contractor(s) to whom the information relates would not wish to be communicated to third parties.

I acknowledge my obligation to ensure that I do not make use of any such information for purposes other than those of CPNEC, and that I seek prior consent of the Chair of CPNEC before making any use of my office or any information produced or acquired as a consequence of it. I further acknowledge that all information received from or about contractors that relates to their business and financial affairs may not be disclosed to anyone without the express consent of the contractor to whom it relates.

I will make full disclosure to CPNEC of all appointments or offices held by me and I will consult CPNEC prior to accepting any appointment or office that may reasonably be thought to be relevant to my membership of CPNEC.

Signed _____ Date _____

Print Name _____

APPENDIX 2A

CONFIDENTIALITY AGREEMENT FOR CPNEC MEMBERS

I understand that as an CPNEC member or Officer I may have sight of or acquire information that will be commercially sensitive or may for other reasons be information that CPNEC or the pharmacy contractor(s) to whom the information relates would not wish to be communicated to third parties.

I acknowledge my obligation to ensure that I do not make use of any such information for purposes other than those of CPNEC. I further acknowledge that all information received from or about contractors that relates to their business and financial affairs may not be disclosed to anyone without the express consent of the contractor to whom it relates, in which case the disclosure will be through CPNEC Secretary.

I will make full disclosure to CPNEC of all appointments or offices held by me and I will consult CPNEC prior to accepting any appointment or office that may reasonably be thought to be relevant to my membership of CPNEC.

Signed _____ Date _____

Print Name _____

CPNEC Governance Checklist

Committee Procedures:

- CPNEC Governance Principles agreed and adopted at an CPNEC meeting, minuted and document annotated with date of agreement
- CPNEC Governance Principles accompany all CPNEC meeting papers
- CPNEC Governance Principles posted on CPNEC website
- Check decisions or actions are within the powers of CPNEC provided in the constitution
- Have Declarations of Interests available for inspection at all CPNEC meetings
- Make CPNEC meeting agendas and minutes available to contractors e.g. on a website
- Keep contractors informed of committee business your newsletters, website etc
- Consult contractors when appropriate before significant decisions
- If delegating responsibility set remits and conditions
- Minute CPNEC meetings clearly and fully.
- Provide an induction procedure for new CPNEC members to include CPNEC governance(a New Members Induction Pack is available on CPNEC members area of the CPE website and CPE also runs new members induction days)
- Hold an AGM each year in accordance with the constitution
- Prepare an Annual report to contractors
- Appoint a member or subcommittee (such as an audit committee) to monitor governance.
- Chair to rule on dealing with conflicts of interest
- Chair to conduct meeting in accordance with standard meeting procedures

CPNEC Members

- Read the CPE Governance guide
- Be aware of and conform to duties of CPNEC set out in CPNEC constitution
- New members read the CPE Governance guide and sign to accept CPNEC Governance Principles
- New members read the CPE new members Induction pack or local equivalent
- Complete and keep updated Declaration of Interest form
- Sign confidentiality agreement
- Declare any conflicts of interest at CPNEC meetings as appropriate
- Adhere to corporate responsibility
- Ensure members have relevant training to discharge their role. CPE provides training on issues relating to CPNEC business

Finance

- Separate the role of secretary and treasurer
- Prepare annual accounts with sufficient detail of income and expenditure
- Accounts audited by professional with practising certificate
- Ensure levy is used for administrative purposes only

- Members scrutinise budgets and annual and regular management accounts as part of their duty to ensure contractors funds are being managed properly

Governance and the AT

- Provide the AT with a copy of CPNEC constitution and, as a matter of good practice, CPNEC governance principles
- Seek recognition from the AT (for a new CPNEC)