

Suffolk LPC

Committee Governance Statement and Policies

Version Number	Date Ratified
1	11 th March 2015
2	18 th November 2015
2	18 th May 2016
3	15 th March 2017
4	16 th May 2018
5	20 th March 2019
6	19 th of May 2021
7	21 st of July 2021
8	17 th of November 2021
9	18 th of May 2022

Review date: March 2022 or before as needed.

Introduction

Suffolk Local Pharmaceutical Committees (LPC) is the body recognised under NHS legislation with a duty to represent the NHS pharmacy contractors in Suffolk. The LPC 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 LPC funds. High standards of corporate and personal conduct are a requirement for the LPC and its members and all aspects of the LPC's 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 the LPC is acting transparently, honestly and not in the self-interest of its members. This is important if the LPC is to have credibility with others: much of Suffolk LPCs external dealings are with ICS, Primary Care Organisations and Local Authorities which themselves have stringent requirements for good governance and will expect sound governance arrangements in the organisations they work with.

Suffolk LPC will inform NHS England of the LPC's governance arrangements and will ensure that this policy is updated annually and made available on the LPC website.

Principles of good governance

Corporate governance has been defined by the Audit Commission as:

'The system by which an organisation is directed and controlled in order to achieve its objectives and meet the necessary standards of accountability and probity'.

There is now an agreed and accepted set of principles for the foundation of a system of good governance and these are normally referred to as the Nolan principles. These principles were developed by Lord Nolan who, in 1995, chaired the Committee on Standards in Public Life. It was subsequently recommended that these principles should be incorporated into the codes of conduct of all public bodies.

The Nolan principles, as they apply to LPCs, are as follows:

Accountability - Members of the LPC are accountable for their decisions and actions to contractors and the public and therefore submit to scrutiny.

Openness - Members should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions, and restrict information only for short term tactical reasons, or when the wider public interest clearly demands.

Honesty - Members have a clear duty to declare any private interest relating to their LPC duties and take steps to resolve any conflicts arising.

Leadership - Members should promote and support the above principles by leadership and by example.

Representativeness (Selflessness) - members must reflect the interests of the contractors who elected or appointed them to the LPC and must make decisions in the interests of the general body of contractors; they must not make decisions in order to gain financial or other material benefits for themselves, family or friends.

Integrity - members must not put themselves under any obligation that might influence their performance on the LPC or their ability to reflect the interests of the contractors who elected or appointed them or to make decisions in the interests of the general body of contractors.

Objectivity - in making decisions and in carrying out the business of the LPC members should act within the constitution and make decisions only on merit.

Note

The effect of the principles of Representativeness and Integrity is that the nominating bodies can mandate the member to express a view but cannot bind him in how he votes or decides on a particular issue. This means the member can hear and participate in debate and is free to amend his view in the light of the debate. He will no doubt then reflect back to the relevant body why he made the decision he did, recognising his accountability.

The principles are accepted by all members of the committee and form an integral part of the committee's governance statement.

Governance and the LPC Constitution

The LPC Constitution is a key document setting out the membership of the committee and the constitutional rules under which it operates. It is approved by contractors and the AT from which the LPC is seeking recognition. Adherence to the constitution is a fundamental governance requirement and the constitution should be read and understood by all members and officers.

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

Suffolk LPC has adopted the model constitution. Any changes to the constitution must be made in accordance with the terms of the constitution. An important point about the constitution is that it sets out the powers of the LPC and LPCs can only act within the powers that the constitution provides. An LPC must not go beyond its powers. So, for example, there is no power to use LPC funds other than for administrative expenses.

The constitution also gives explicit duties that bind the LPC such as the need to hold an AGM and provide services to contractors.

Before taking any non-routine action the LPC should satisfy themselves that the committee has the power in the constitution to act in such a way; conversely the constitution should be examined to make sure the LPC is discharging properly the duties required under the constitution.

Governance in practice

Declarations of Interest

As part of transparency and accountability, LPC members should complete a Declaration of Interests 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 the LPC.

A model Declaration of Interests form is attached in **Appendix 1**.

The portfolio of Declarations of Interests is openly available for inspection at LPC meetings. The Declarations of Interests should also be available to contractors on the LPC website.

Declarations of Interests will be reviewed annually and updated on an on-going basis. Blank copies of the Declaration of Interests forms will be available at each meeting so that members can easily update their declaration when their circumstances change.

Conflict of Interest

There may be instances where an LPC 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 Chairman of a possible conflict of interest. The Chairman 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.

This will be a standing agenda item at the start of each LPC meeting.

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

Confidentiality

LPC members and in particular LPC Officers 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 Suffolk LPC 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 the LPC 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, all LPC Members will sign a Confidentiality agreement. A model agreement is attached at **Appendix 2**.

Corporate responsibility

During a debate on an issue at an LPC meeting, members are able to express their views freely and firmly. However, once a decision has been taken by the LPC 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 the LPC's collective view on an issue and, as an LPC member, will not say or do anything to undermine the LPC's position.

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

It is important that LPC 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

Suffolk LPC 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 LPC meetings is freely available to contractors as are the minutes of LPC meetings. There should be no issues on the LPC agenda or in the LPC minutes which 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 appropriately in the agenda item and either minuted in a sensible fashion or in a separate confidential minute book.

Suffolk LPC will ensure that an Annual General Meeting 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.

The LPC will ensure that its annual report and accounts are sent 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 the LPC if not clearly shown in

the accounts, standard allowances paid to LPC members for their work. The Treasurer will also provide information on levy collections and expenditure in the current year at each LPC meeting.

As part of the discharging of its duties, openness and accountability Suffolk LPC will provide regular reports to contractors via newsletters throughout the year.

Financial governance

Many of the principles of governance impinge on financial accountability. Contractors who fund the LPC expect openness and accountability in the way their levies are spent. A copy of the LPCs Expenses Policy can be found in **Appendix 3**

The role of Chief Officer and Finance Officer are held by different people to ensure good governance. The Finance officer will give regular updates on finance at meetings of the LPC and arrange the preparation of annual accounts in sufficient detail, audited by a professional with a practising certificate. Those accounts will be made available to contractors with the opportunity to query the accounts at the AGM. A copy of the accounts is also sent to PSNC. Suffolk LPC notes that levies collected from contractors can only be used for the purpose intended, i.e. to defray the administrative costs of the LPC. A financial risk register will be maintained by the committee.

The LPC has a Finance and Audit subcommittee which is made up of not less than three committee members plus the LPC Treasurer. The purpose of the Finance and Audit subcommittee shall be to: ensure effective control of LPC finances; consider annual budgets, accounts and processes; develop effective financial management information and monitor performance.

The Terms of Reference for this subcommittee can be found in **Appendix 4**

The Chief Officer, with reference to the [LPC Finance Guide](#), will ensure that any changes in guidance are highlighted to the Finance Officer and appropriate action taken.

A copy of the Annual Budget is sent to NHS England for approval before the start of each financial year, as required by the constitution.

Working with the Industry

The Committee recognises the potential benefits of engagement and partnership working with the Pharmaceutical Industry; however, this must conform to the LPC's governance policy and operate within the Association of the British Pharmaceutical Industry (ABPI) guidelines. A copy of the LPC's policy on working with the Pharmaceutical Industry and Receipt of Hospitality and Sponsorship can be found in **Appendix 5**.

Delegation of powers

Sometimes the LPC may 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, the LPC 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 the LPC.

Similarly, the LPC may delegate power to individuals such as the Chief Officer or Chairman - often this is power to act in an emergency where it is not possible to call the LPC together. Suffolk LPC has set out the nature and limits of such delegation in writing and they have been adopted formally by resolution of the LPC.

Federated Delegation of Line Management Oversight/Input to Increase LPC Resilience

Suffolk LPC and Norfolk LPCs regularly work in informal federation to reduce duplication of efforts and to provide additional resilience to our operational teams. While normal line management and delegated powers arrangements remain in place within each LPC, in the absence of Senior Officer(s) from either LPC then remaining team members will be mindful to utilise the skills and experience available via this informal federation and consult with each other accordingly where appropriate.

For example, in the absence of the Suffolk Chief Officer, the remaining Suffolk team members will (if appropriate) draw on the experience of the Norfolk Chief/Deputy Chief Officer for urgent matters requiring that level of input. In responding to such requests, the Senior Officer(s) from the other LPC will be mindful of the potential need to consult with the other LPC's Executive Member(s) in line with their best judgement and experience.

Senior Officers acting in such a way in good faith, while clearly still accountable for their actions to the appropriate Committee, will generally be supported.

Enforcing governance

In the vast majority of cases, the integrity of individuals and peer pressure is sufficient. However, sanctions can only be applied if the LPC has the power to do so, those powers should be clear, and members should be aware of the powers which can be exercised in such cases. The LPC gets its power from its constitution and the Suffolk LPC constitution provides the powers to deal with possible breaches of governance both in how the matter is investigated and sanctions if a breach is found. Should the LPC suspect a breach of governance requiring the exercise of this power it will contact PSNC for advice.

Governance health check

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

As unincorporated associations such a claim could mean that LPC members personally would be liable for any costs or compensation as a result of any successful legal action by an aggrieved contractor.

Good governance arrangements, soundly adopted, provide a useful safeguard for LPC members.

Suffolk LPC has considered the principles of good governance and ensures that all members are aware of their duties and obligations in this area. The LPC uses the PSNC Self Evaluation Framework on the PharmOutcomes platform to ensure it is meeting and where possible exceeding the standards expected of an LPC.

Corporate 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 Office	
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.	Other sources of income or pecuniary support relevant to my membership of the LPC	
8.	Membership of other pharmaceutical bodies	

Signed: _____ Date: _____

Corporate Governance

CONFIDENTIALITY AGREEMENT FOR LPC MEMBERS

Name: _____

I understand that as an LPC member or Officer I may have sight of or acquire information that will be commercially sensitive or may for other reasons be information that the LPC 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 the LPC. 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 the LPC Chief Officer. I will make full disclosure to the LPC of all appointments or offices held by me and I will consult the LPC prior to accepting any appointment or office that may reasonably be thought to be relevant to my membership of the LPC.

Signed: _____ Date: _____

CORPORATE GOVERNANCE

EXPENSES POLICY

PURPOSE

To provide a policy whereby LPC members and officers will be reimbursed for actual expenditure incurred wholly, exclusively and necessarily in the course of LPC business activities, travel, meetings and entertainment provided that such expenses were approved in accordance with the requirements of this policy.

1. Introduction

This document sets out in detail the Suffolk LPC expense policy. The LPC will reimburse members and employees for reasonable business expenses incurred on the LPC's behalf whilst they are engaged in authorised business or training activities, provided they fall within the limits set by this policy. It is our intention that members/employees should neither gain nor lose financially as a result of incurring expenses on LPC business. LPC members/employees are subject to Inland Revenue rules and guidelines as to what is allowable as a business expense. It is therefore important that all claims adhere strictly to the policy. Expenses defined as 'reasonable' are those that are cost effective when weighed against the purpose of the business activity. Members/employees are responsible for the settlement of any business expenses incurred and for reclaiming these costs through the process set out in this document unless prior arrangements have been made for direct payment with the Finance Officer or Chief Officer. Any breach of this policy will be referred to the Committee for consideration under the LPC's Governance Statement. It is each LPC members' responsibility to ensure that their LPC expenses are submitted within the time designated. Failure to do so may result in claims not being approved.

2. Fixed Payments

2.1 Honoraria

- These are paid to officers of the committee in recognition of the additional responsibilities they have in terms of governance and managing the performance of the committee on behalf of contractors.
- These will be paid as follows:

Chair £3,000p.a.

Vice Chair £2,000p.a

Finance Officer £1,000p.a

Job descriptions for these roles are set by the committee and the level of remuneration for these roles will be reviewed annually to ensure it remains commensurate with the role.

- These are paid monthly by BACS and include PAYE as calculated and paid by the bookkeeper.

2.2 Committee Attendance

- Officers, other than employed officers, and members of the committee can claim a £100 attendance fee, which aims to reimburse the member for attendance and meeting preparation time.
- CCA members are paid an equivalent direct payment by the CCA for attendance and this should be claimed directly from the CCA or employer as appropriate. However, CCA members should still claim the attendance allowance from the LPC and this should be paid directly back to the employer.

3. Submission of claims for reimbursement

3.1 Members/employees are expected to:

- Submit claims within two months of the expenditure (unless otherwise agreed with the Finance Officer) All claims in any one financial year should be submitted within one month of that year end.
- Provide original invoices, receipts or itemised bills to support all expense claims.
- LPC claims for expenses should be on the relevant LPC expense claim form. Two forms are available from the Finance Officer: a meeting claim

form which covers all costs including attendance, locum cover and mileage and a general expense claim for members and employees. These forms have been agreed by the committee and should not be amended without the agreement of the committee.

- Care should be taken when completing the general expenses claim form to ensure costs are claimed against the correct budget e.g. LPC, HLP etc. Incorrect claims may lead to poor financial governance for the LPC both in terms of managing the budget and in terms of demonstrating good governance to external organisations providing additional funding.
- Claims should be submitted by the dates indicated on the flowchart (attached).

For LPC members who are:

- i. Employees of a contractor member - daily allowance claims MUST be paid by PAYE unless paid direct to the LPC member's employer or the contractor the LPC member represents.
- ii. Contractors (in professional practice – companies; partnerships and sole traders) - daily allowance claims MUST be paid by PAYE unless paid direct to the contractor's retail pharmacy business.
- iii. Representatives of a contractor member and designated persons appointed to represent the LPC
 - a. Daily allowance claims MUST be paid by PAYE unless paid direct to the contractor's retail pharmacy business.
 - b. An exception is a locum in professional practice if the daily allowance is part of the professional income.
 - c. Retired or non-working representatives of a contractor member - must be paid by PAYE (because the payment is not for lost professional/employment income)

3.2 Authorisation/ limits:

- Expense claims must be approved by the Finance Officer for committee members or the employee's line manager.
- Single items of expenditure or activity exceeding £500 should be cleared with the Finance Officer in advance

- The Finance Officer is required to question claims which fall outside of the policy and seek additional consideration from the LPC.

3.3 Payment:

- Expenses will be paid via BACS payment.
- Committee members and employees must, when requested, provide appropriate bank account details to the Finance Officer to allow claims to be processed.
- Once the Finance Officer has authorised the claim, expenses claims will normally be processed for payment within 28 days, depending on the date of submission (see flow chart).

4. Expenses claims allowed:

4.1 Locum Expenses:

- Where a Locum has been engaged to provide backfill, the Locum expenses will be paid in full where meetings have been attended on behalf of the LPC during typical business hours for that business. This claim should be at the rate that had to be paid by the member, backed up with a copy invoice if that rate exceeds the hourly rate quoted below or exceeds £270. It may include the employment of an Agency although this should be avoided with careful planning to minimise costs to the LPC.
- If a Locum has not been necessary for the LPC member to attend the meeting, then it may be that that individual could have been profitably employed as a Locum during normal business hours (9am-6pm Mon – Fri, 9am-5.30pm Sat). In this case, the maximum claim for attending a full day meeting or for agreed additional hours would be 9 hours @ £30 per hour. This rate will be reviewed at least annually.
- CCA members are entitled to claim locum cover payments for daytime LPC committee meetings, or if they are asked to attend other daytime meetings on behalf of the LPC.
- If you are a branch manager, the LPC payment should cover the total hours that the locum works (usually a full day).
- If you are office or field based, the LPC should pay for however many hours you spend on LPC business.

All locum cover payments must be paid to your employer and not directly to the locum. The company will reimburse the locum following your employer's standard locum procedures.

4.2 Travel/ Transport:

- Private vehicle: mileage is paid at £0.45/mile disregarding the engine size of the vehicle. This rate applies to the first 10,000 miles travelled on any business in any financial year. Where a member/employee has already reached 10,000 business miles in the financial year, claims from 10,001 miles onwards should be at the rate of £0.25/mile.
- Passengers: Where a member/employee claiming mileage carries another member(s) as a passenger on LPC business, £0.05/mile can additionally be claimed for each passenger carried.
- Committee members and employees who use their own car on LPC business must ensure that they hold a valid licence for the vehicle driven, the vehicle is licensed and that their insurance cover extends to business use. The LPC reserves the right to inspect the employee's insurance documentation and ask for an up-to-date copy.
- Taxis: Travelling committee members and employees should avoid the use of taxis unless alternatives are not available or are impractical. The use of cost-effective public transport or hotel courtesy buses is encouraged whenever possible. Where alternatives are not available, the cost of taxis may be claimed on an expense claim. Claims must be supported by receipts.
- Rail: In exceptional circumstances employees and committee members may travel first class provided prior approval is obtained (e.g. when accompanying guests). At all other times travel should be at the most cost- efficient rate.

Any other travel should be by the most cost-efficient means.

4.3 Parking and Tolls:

- The LPC will reimburse you for the cost of parking and road tolls incurred on LPC business, but parking fines, towing away charges or fines for other traffic violations will not be reimbursed.

4.4 Accommodation:

- Accommodation may be claimed if members/employees are required to attend a location on LPC business and this location is sufficiently far away from home or normal place of work to make a return journey unreasonable. The need for accommodation should be agreed by the Finance Officer before booking.
- Daily limits for overnight accommodation are up to £85 per room per night to include breakfast, without prior authorisation.
- If commitments require evening travel and/or accommodation, then a meal up to the value of £15 may be claimed if required

4.5 Business Calls:

- The cost of calls a member/employee makes on LPC business can be reclaimed. You must provide details of the calls you have made by attaching an itemised bill with the business calls highlighted.
- Employees should arrange for a mobile phone on contract with unlimited calls and text. This should be used for all calls whenever possible. Monthly payments should not exceed £50 per month without prior agreement. This should be regularly reviewed by officers to ensure the most cost-effective contract is used. This phone should not be used for personal calls, unless in an emergency and the employee is responsible for ensuring that no personal data is stored on it. The LPC has the right to ask for the return of such equipment at any time.
- It is no longer deemed necessary for the LPC to reimburse officers for the availability of broadband as this is available in most households for non-business use. Should the work the officer does on behalf of the LPC require an upgrade from a standard broadband package, any additional costs incurred will be considered by the committee.

4.6 Subsistence

Reasonable expenses will be paid to those members making a claim for subsistence whilst on LPC business. Receipts must be provided. The daily limit for such expenditure should not exceed £5 in most cases.

Officers may claim subsistence only if the employee has been absent from their normal place of work or home for a continuous period in excess of five hours (£5 claimed) or ten hours (£10 claimed) AND has incurred costs on a meal (food and drink) after starting the journey. Costs should only be claimed when deemed necessary and all claims will be authorised by their line manager before payment.

4.7 Miscellaneous:

Other legitimate claims which are wholly and exclusively business related will be considered.

4.8 Jury service (Applies to Employed Officers Only):

Notify your manager immediately if you are summoned for jury service, before replying to the jury summons. When doing jury service, you should claim juror allowances. At our discretion, the committee may make up juror allowances to your normal basic pay while you are serving on a jury.

Inland Revenue

Failure to conform to these guidelines may give rise to personal tax charges on the individuals making the claim. The Inland Revenue requires under Self-Assessment that records of expenditure and mileage are kept by the individual for 6 years. The Inland Revenue may review them at any time.

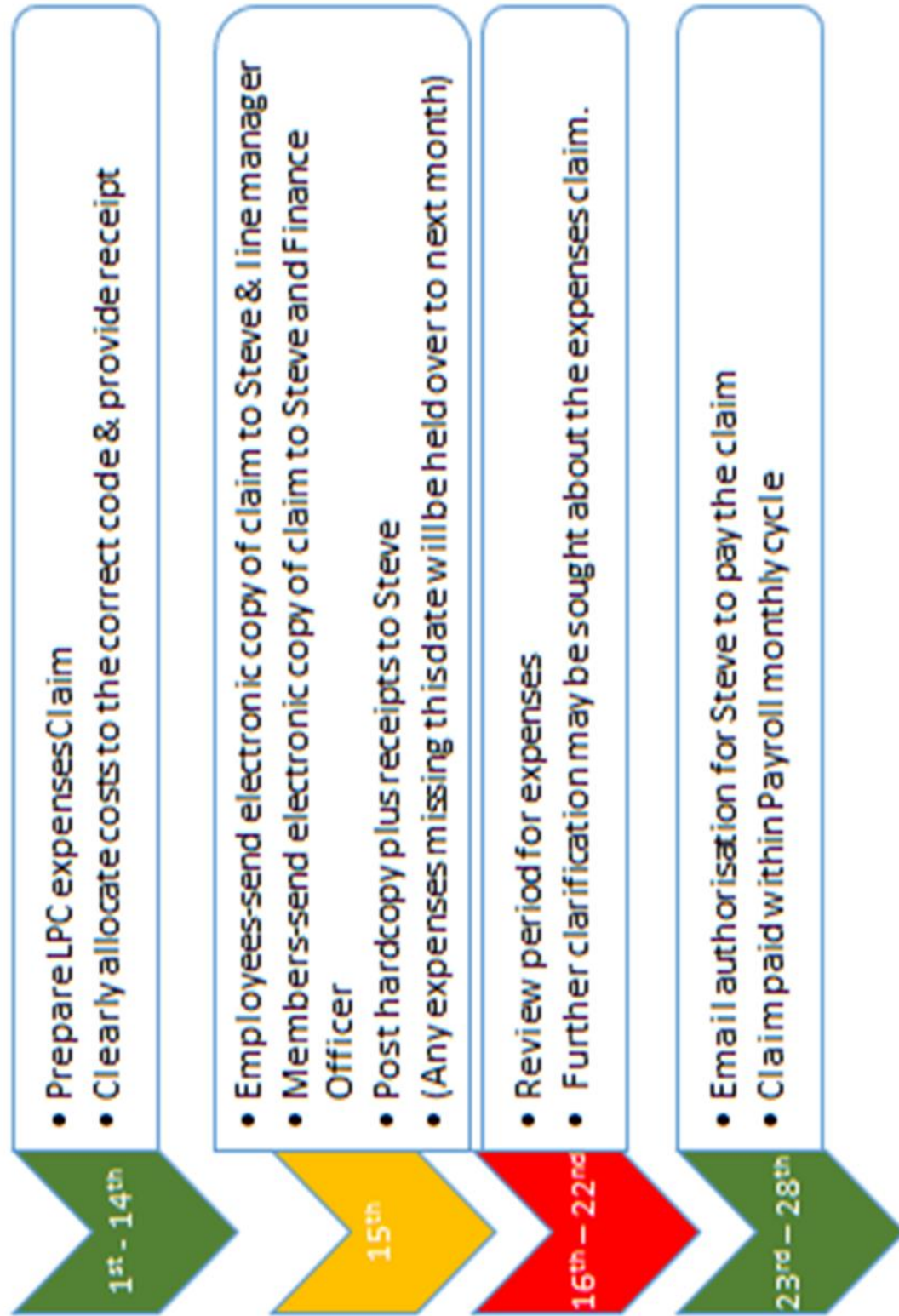
General Financial Governance

The Suffolk LPC Finance and Audit Subcommittee reviewed the PSNC recommendations in the Finance Guide and agreed that some recommendations would need to be worked towards as part of a review of governance standards following the RSG vote. However, the following safeguards are in place to ensure good interim governance.

- Two signatures are not currently used on the actual account, although all expenditure is authorised by two officers. All statements are then reviewed by the treasurer to identify any discrepancies. This gives excellent oversight with an opportunity to question quickly after each transaction without delaying payments.

- A comparable budget template is used to that recommended by PSNC, just with slightly different sections and headings. This could be amended but due to the cost of completing this work, it was decided that this would be reviewed post the RSG vote.
- Zero cost budgeting is not currently used and due to the significant workload involved, it was decided that this process would not be undertaken until 2023-24 when changes to the LPC committee and finances would be better understood. At this point there would be a decision on the budget process going forwards, including the possibility of moving from a %levy to a fixed budget payment.
- Annual reports are completed by Larkin and Gowan, a well-respected accounting firm, using UK GAAP reporting criteria which meets the necessary requirements.

Expenses Payment Cycle



Suffolk LPC Finance and Audit Subcommittee

Terms of Reference

The purpose of the Finance and Audit subcommittee shall be to: ensure effective control of LPC finances; consider annual budgets, accounts and processes; develop effective financial management information and monitor performance.

Membership

1.1 At least three members of the main committee shall be appointed by the committee to the Finance and Audit subcommittee, in addition to the LPC Treasurer. Membership should be drawn from each of the different representative groups.

1.2 In the event that a Finance and Audit subcommittee member ceases to be a member of the LPC, the committee shall appoint a new Finance and Audit subcommittee member for the remaining term of office.

1.3 The members of the subcommittee shall appoint a Chair from amongst its members.

Accountability

2.1 The Finance subcommittee shall be accountable to the main committee.

2.2 The Finance subcommittee shall meet quarterly via Teams but can further determine the frequency of its meetings to discharge its duties. The subcommittee may need to meet more frequently should a specific issue arise which needs further discussion and agreement. Meetings will be held in April, August, November and February.

2.3 The Finance subcommittee shall report its discussions and outcomes to the main committee.

2.4 A Finance subcommittee member with a conflict of interest should step down temporarily, in which case the subcommittee shall co-opt an additional member from the main committee.

2.5 The subcommittee, may invite the LPC Chief Officer or other officer or member to part or all of one or more of its meetings if their input is required to deal with a specific issue.

2.6 There is no quorum for the subcommittee, but the maximum attendance will be sought when arranging a meeting.

Actions

The Finance subcommittee will:

- 3.1 Refer directly to the Governance subcommittee, or Governance lead any matter of governance relating to committee members' or officers' expenses claims.
- 3.2 Approve the LPC budget in February for recommendation to the main committee in March, including any change to the LPC levy or levy holiday. Consideration having been given to conducting a zero-based budget.
- 3.3 Ensure that annual accounts are prepared and presented to the LPC and for final approval by contractors in accordance with the LPC constitution. The subcommittee will also approve the Treasurers annual report to contractors.
- 3.4 Review the LPC expenses policy and adherence; ensure that appropriate systems are in place to approve expense claims.
- 3.5 Review commercial contracts entered into by the LPC.
- 3.6 Keep under review, financial management systems and internal controls to ensure the LPC can monitor LPC finances.
- 3.7 Oversee the work of the LPC Treasurer ensuring the duties set out in the Treasurer's job description, such as that provided by PSNC, are attended to.
- 3.8 Manage financial aspects of LPC restructuring and mergers, and the approval and recovery of loans to a provider company.
- 3.9 Support the management of remuneration of LPC staff, officers and consultants.
- 3.10 Monitor adherence to the LPC Finance Guide (such as that provided to LPCs by PSNC).
- 3.11 Oversee the appointment of external qualified Accountant (and Auditor if applicable) and liaise with the external accountant and consider any recommendations they might make.
- 3.12 Be re-elected every two years. This election should coincide with the election of the new Officers.

Agreed by **Suffolk LPC** on **May 18th, 2022**.
Review **May 2023**

PSNC March 2021

CORPORATE GOVERNANCE

Principles for working with the Pharmaceutical Industry and Receipt of Hospitality and Sponsorship

The aim of this document is to set out a policy for working with commercial organisations, including the pharmaceutical industry.

1. General principles for consideration

1.1 It is against our governance principles for LPC members or employees to accept any gifts or reward for:

- Doing, or refraining from doing, anything in their official capacity.
- Showing favour or disfavour to any person in their official capacity.

1.2 Members are expected to:

- Ensure that the interest of the contractors remain paramount at all times.
- Be impartial and honest in the conduct of their official business.
- Use funds entrusted to them to the best advantage for the contractors, ensuring value for money.
- Ensure that they do not abuse their position for personal gain or to benefit their family or friends.
- Ensure that they do not seek advantage or further private business or other interests, in the course of their official duties.
- Identify, declare and resolve where possible any potential conflicts of interest. Make clear the arrangements for monitoring and evaluation of any agreement.

1.3 Sponsorship should not compromise purchasing or committee decisions.

1.4 Data is confidential and may not be shared with the Pharmaceutical Industry/commercial organisations, unless this falls within the requirements of the Freedom of Information Act 2000. Requirements of the Data protection Act, Caldicott principles etc. also apply.

1.5 It should be made clear that acceptance of sponsorship does not imply endorsement of any product or company.

1.6 When organising any sponsorship, members should always consider approaching a number of potential sponsors so that the LPC is not seen to be favouring one particular company or product.

1.7 No one organisation will be given preferential treatment or competitive advantage

1.8 If the LPC becomes aware of any unapproved sponsorship, swift and appropriate action must be taken to bring the situation within the requirements of the policy

2. Applications

2.1 All initiatives / schemes / sponsorship must have LPC agreement before they may start.

2.2 The Officers will report to the LPC on commercial sponsorship

2.3 All ventures must meet the following requirements:

- Open and transparent working relationships between the LPC and commercial company
- The objectives of collaboration are clearly stated by each party and are defensible
- Represent good value for money.
- Clearly define the benefits of the initiative for both parties.
- Demonstrate probity.
- Support the delivery of local strategic aims.
- Any resultant service and cost implications arising from the sponsorship are considered. (Consider short- and long-term implications, particularly where an initiative is to 'pump prime' a service).

3. Hospitality

3.1 Hospitality must not be provided to health professionals and managers except in association with scientific and promotional meetings or similar.

3.2 Meetings must have a clear educational content.

3.3 Hospitality must be secondary to the purpose of the meeting.

3.4 The level of hospitality must be appropriate and not out of proportion to the occasion.

3.5 Hospitality costs should not exceed the level, which the recipients would normally adopt when paying for it themselves.

3.6 Attendance should not extend beyond those whose role makes it appropriate for them to attend.

3.7 Meetings, which are sponsored by external sources, must disclose that fact in the meeting papers and in any published proceedings.

3.8 Attendance at social or sporting events is usually considered unacceptable.

4. Records

4.1. All offers of gifts, hospitality or other benefits other than sponsorship of educational events or provision of educational materials, worth more than the value stated by the ABPI Code of Practice (currently £6.00) must be declared (whether accepted or not) to the Committee (this would also apply where several gifts worth a total of over £100 are received from the same or closely related source in a 12-month period).

4.2 Records will be kept, detailing the nature of the sponsorship. Records to be posted on the LPC website within 21 days of the sponsored event

4.3 These records will be subjected to audit by the Full Committee.

4.4 Sponsorship income would be subject to corporation tax. If an LPC is receiving any of the above sources of income, then it needs to register with HMRC for corporation tax as soon as possible. However, it is possible on submission of the LPC's accounts to HMRC to obtain a dispensation from paying corporation tax and making annual returns and filing accounts with them if the annual corporation tax

can be demonstrated to be less than £100. The dispensation is usually for a 5-year period, but the LPC has to review its income annually and if the potential corporation tax exceeds £100 then it needs to inform HMRC and start filing returns and accounts.

Definitions

Commercial sponsorship - is the act of obtaining funding or resources for LPC activities from an external source and includes:

- Funding for research, training and equipment Costs associated with meetings
- Printing of publications e.g. guidelines, patient information leaflets etc
- Gifts
- Hospitality including meals associated with working visits, venues for training etc.
- Personal hotel and transport costs (including trips abroad)
- Provision of free services such as training events, use of buildings, premises or facilities

Commercial Sponsorship Form

Company:	Address
Tel:	
Email:	

Proposed Event

Organiser:
Event Type:
Date:
Location:
Objectives (please attach full details where possible):

Sponsorship Details

Proposed Sponsor:
Contact Name:
Contact Tel:
Outline of sponsorship (please attach full details)
Benefits of the event to contractors and the LPC:
Potential risks:

Signed.....

Date.....