

**DERBYSHIRE  
LOCAL PHARMACEUTICAL COMMITTEE**

**CORPORATE GOVERNANCE**

**and**

**Code of Conduct for Members**



## **DERBYSHIRE LOCAL PHARMACEUTICAL COMMITTEE**

### **CORPORATE GOVERNANCE**

#### **Introduction**

Local Pharmaceutical Committees (LPCs) are bodies recognised under NHS legislation with a duty to represent the NHS pharmacy contractors in the LPC area. 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 the required standards, these rules and procedures have been put in place to ensure the LPC acts transparently, honestly and not in the self interest of its members.

The Derbyshire LPC is the officially recognised, elected body, which has to be consulted by NHS England in Derbyshire on all matters relating to contractual arrangements for community pharmacy. The LPC Constitution states that the LPC must conduct its affairs in accordance with principles of good governance.

The LPC represents the interests of community pharmacy contractors and helps and advises them on all NHS matters. Its primary aim is to accurately reflect and put forward the professional views and aspirations of all pharmacists engaged in community pharmacy providing NHS pharmaceutical services in the Derby and Derbyshire areas of the NHS England (Derbyshire and Nottinghamshire) Area Team and to improve pharmaceutical services and other locally commissioned services to the people of Derbyshire. Improvements may be achieved through locally commissioned services and the LPC is the negotiating body with commissioners for these services.

The LPC believes that community pharmacists have a significant role to play in meeting local healthcare needs. The officers and committee members will actively pursue any issue that affects or is likely to impact on local pharmacy services. The work and agenda of the committee will always be directed to protect and enhance the interests of contractors and the clients and patients they serve.

The following pages set out the standards of conduct, accountability and openness expected of the officers and members of the committee. Its aim is to ensure that everyone understands the way they are expected to work.

All committee members, employees or contracted personnel of the Derbyshire Local Pharmaceutical Committee are required to sign a declaration confirming that they have read this code, understand it and agree to abide by it.



## **Governance Principles**

In 1995 the Committee on Standards in Public Life formulated the Seven Principles of Public Life, which it recommended should be incorporated in the Codes of Conduct of all public bodies. The Principles (known as the Nolan Principles – see Appendix A) are:

**Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership**

The success of the committee depends – to a large extent - on the adoption of these values so that they influence the behaviour of those who are involved in the organisation. The committee works closely with the NHS; as a consequence of this its own values must reflect those of the public service values that are at the heart of the NHS. Acceptance of the values should inform and govern the decisions and conduct of all committee members, employees and agents.

The principles, formally adopted by the Derbyshire LPC, are set out in Appendix A

## **Accountability**

The LPC is accountable to the community pharmacy contractors. The LPC members have a responsibility to set the strategic direction of the LPC, define its annual and longer-term objectives and agree plans to achieve them. The work of the committee and individual members must be able to stand the test of public scrutiny, judgements on propriety and professional codes of conduct.

The officers of the committee shall be the Chair, Vice-Chair, Chief Officer and Treasurer, as set out in the LPC's constitution.

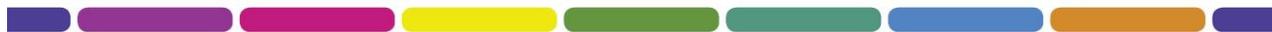
## **GOVERNANCE IN PRACTICE**

### **Declaration of Interests**

As part of transparency and accountability, LPC members, employees or agents are required 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. The portfolio of Declarations of Interests will be openly available for inspection at LPC meetings. The Declarations of Interests will also be available to contractors on request. Members must update their Declaration of Interest if their personal circumstances change.

### **Conflict of Interest**

There may be instances where an LPC member, employee or agent 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**

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 LPCs 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 an 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. Confidential information will be designated accordingly in LPC meetings and minutes.

### **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**

The LPC is accountable to contractors for the way in which it conducts its business, which will be done in an open and transparent manner.

As a matter of good governance, the agenda for LPC meetings will be freely available to contractors as will the minutes of LPC meetings (other than those deemed to be confidential), on request. There will 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 exception to this is that where certain confidential information is being considered, particularly commercially sensitive information, then this would be dealt with appropriately in the agenda item and



minuted in a sensible fashion or in a separate confidential minute record. After each LPC meeting, a report of the principal meeting content will be posted on the LPC website and a copy sent by email to contractors who have provided the LPC with an email address for this purpose.

The 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 available to every contractor via the LPC website, with hard copies available at the AGM. At the AGM the Treasurer will explain the accounts to contractors focussing on any unusual items of expenditure, the monies paid to officers of the LPC if not clearly shown in the accounts and any 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 regular LPC meetings.

### **Financial Governance**

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

In the Derbyshire LPC the roles of Chairman, Chief Officer and Treasurer will be held by different people and any payments (these are made electronically) on behalf of the LPC will require the authorisation of two people who have been delegated by the committee to authorise payments.

The Treasurer will give regular updates on finance at meetings of the LPC and prepare annual accounts in sufficient detail, certified by an accounting professional with a practising certificate. The 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 the PSNC. Levies collected from contractors will be used to defray LPC administrative costs, as set out in section 44 and 45 of the NHS Act 1977.

### **Delegation of Powers**

On occasions 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 LPC Chief Officer or Chairman - often this is power to act in an emergency where it is not possible to call the LPC together. Again, the powers given to those individuals will be clear, as will the circumstances in which the power may be exercised.



## Employee Relations

The committee must comply with employment legislation and guidance, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to any employees and represent good value for money.

## Appendix A

# CORPORATE GOVERNANCE AND THE DERBYSHIRE LPC

The LPC accepted in April 2014 the following guiding principles for members of the Committee:

**Accountability** - Members of the LPC are accountable for their decisions and actions to contractors 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/her in how he/she votes or decides on a particular issue. This means the member can hear and participate in debate, and is free to amend his/her view in the light of the debate. He/she will no doubt then reflect back to the relevant body why he/she made the decision he/she did, recognising his/her accountability.

