

HSCIC Framework Agreement & Corporate Governance Manual 2013-14

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Background

1. The Framework Agreement between the HSCIC and the Department of Health and the HSCIC Corporate Governance Manual together form the two main documents that set out how the HSCIC should operate in terms of its governance and accountability.
2. The Framework Agreement defines the critical elements of the relationship between the Department and the HSCIC focussing on:
 - How the Department and the HSCIC will work in partnership to serve patients, the public and taxpayer; and
 - How both the HSCIC and the Department discharge their accountability responsibilities effectively.
3. The Corporate Governance Manual sets out the corporate governance rules applying to the HSCIC and includes the organisation's Standing Orders, Standing Financial Instructions and Code of Conduct for Board members.

The Framework Agreement

4. The Framework Agreement has been developed in partnership with the Department of Health and follows a standard format applying to all arm's length body organisations. It has received input from both HM Treasury and Cabinet Office and has been cleared by the Senior Departmental Sponsor for the HSCIC. However, it still has two further approval stages to go through within the Department but the Senior Departmental Sponsor has agreed that this can take place in parallel with the review by the HSCIC Board and for an 'in principle' decision to be reached by the Board subject to it being returned to the Board for further consideration should any substantive changes arise from the remaining reviews.
5. The Framework Agreement forms the main source of advice on how the HSCIC should discharge its functions and in doing so support the HSCIC's wider alignment across the whole health and social care system through its relationship with other arm's length body organisations. It sets out the relationship between the HSCIC and the Department and the Department's role in reviewing HSCIC performance by regular formal accountability meetings.
6. The document describes the governance arrangement for holding the HSCIC to account and the controls that must be in place such as financial accounting, audit, recruitment, risk management and delegated authority arrangements. It documents the expectations around partnership working between the two organisations and the HSCIC's wider relationship with other arm's length body organisations. It highlights the importance of transparency in HSCIC activities and sets out a protocol to ensure effective communications that deliver real benefit to the public, patients, communities, stakeholders and the health and social care system as a whole. The Agreement will be reviewed every three years or sooner upon request of either party

The Corporate Governance Manual

7. The Corporate Governance Manual is a refresh of the document approved by the HSCIC Board at its meeting on 3 April 2013. During the intervening period the opportunity has been taken to address various outstanding corporate governance issues and restructure the Manual to make it an easier reference document. In addition to the Standing Orders, Standing Financial Instructions and Code of Business Conduct the Manual now include links to key HSCIC corporate governance policies such as conflict of interest, hospitality, confidentiality which had not been developed at the time the initial document was agreed last April and are due for completion by late November/early December 2013.
8. The Corporate Governance Manual will be reviewed on an annual basis by the Assurance and Risk Committee and updated as and when necessary to reflect any changes in accountability arrangements, delegated authority or Board composition.

The HSCIC Board and Sub-Committee Terms of Reference

9. The opportunity has also been taken to transfer the corporate governance references in the current versions of the HSCIC Board, Assurance & Risk Committee and Remuneration Committee Terms of Reference into the Corporate Governance Manual to avoid unnecessary duplication.

Actions Required of the Board

10. The Board is asked to:
 - i) Note and confirm their agreement, in principle, to the Framework Agreement which sets out the HSCIC partnership relationship with the Department of Health and how accountabilities are discharged. This would be on the basis that should the remaining two stages of review by the Department raise issues of substance then the Agreement would be brought back to the Board for further consideration. The Framework Agreement would not be signed by the CEO until all the review stages are complete.
 - ii) Note the refresh of the Corporate Governance Manual which contains the corporate governance rules under which the HSCIC operates.
 - iii) Confirm the continued accuracy of the HSCIC Board and Sub-Committee Terms of Reference which now no longer include more general corporate governance references.