

BOARD OF DIRECTORS MEETING (OPEN)
11 DECEMBER 2019

Open BoD 11.12.19 Item: 11

TITLE OF PAPER	Update to the <ul style="list-style-type: none"> Standing Orders, Reservation and Delegation of Powers, Scheme of Delegation and Standing Financial Instructions
TO BE PRESENTED BY	Phillip Easthope, Executive Director of Finance
ACTION REQUIRED	This report is provided for approval and ratification

OUTCOME	To ensure the Governance Framework provided by these key documents is kept up to date and relevant and fit for purpose.
TIMETABLE FOR DECISION	Endorsement by the Executive Directors Group (5.12.19) and subsequent ratification by the Board of Directors (11.12.19)
LINKS TO OTHER KEY REPORTS / DECISIONS	Links to the Trust's 2019/20 annual accounts and to governance framework of the Trust
STRATEGIC AIM STRATEGIC OBJECTIVE BAF RISK NUMBER & DESCRIPTION	Strategic aim 5, To continue to perform as a financially viable, effective and well governed organisation
LINKS TO NHS CONSTITUTION & OTHER RELEVANT FRAMEWORKS, RISK, OUTCOMES ETC	Delivery of the Trust's financial plan and objectives 2019/20 Trust Objective 4: Maintaining Our Financial Sustainability
IMPLICATIONS FOR SERVICE DELIVERY AND FINANCIAL IMPACT	Financial implications in relation to delivery of financial plan and IBP objectives.
CONSIDERATION OF LEGAL ISSUES	Not applicable

Author of Report	Gabriel Recalde
Designation	Head of Financial Accounts
Date of Report	4 th December 2019

SUMMARY REPORT

Report to: Board of Directors Meeting

Date: 11 December 2019

Subject: Standing Orders, Reservation & Delegation of Powers, incorporated the Scheme of Delegation & Standing Financial Instructions Proposed Changes 2019/20

Author: Gabriel Recalde, Head of Financial Accounts

1. Purpose

<i>For approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information</i>	<i>Other (Please state below)</i>
X	X				Note Required Actions

The purpose of this briefing paper is to update the Executive Directors Group and Board of Directors under terms of reference to “review the Standing Orders, Reservation & Delegation of Powers, incorporated the Scheme of Delegation & Standing Financial Instructions ...focussing particularly on: - Changes in the procedures, wording and limits revised in line with operational requirements and external NHS guidance.”

2. Summary

Further to the papers submitted on 28 January 2019, 24 June 2019 and 28 October 2019 to FPC, and papers submitted to ARC on 23rd July 2019 highlighting recommended changes to SOs, SFIs and Scheme of Delegation this paper provides an update on the status of the full revision of these documents. The final version of the SOs, SFIs and Scheme of Delegation due by the end of December 2019 will be uploaded to the intranet after further revision to the formatting and any other cosmetic issues not rectified on this present version if any. Over the current calendar year Finance policies have been updated which were directly linked to SFIs. The draft version had been circulated among internal stakeholders from January to October 2019, and have also been through the committees named above.

Since January 2019, the revised papers have covered changes as a result of disbanding the Vacancy Control Panel (VCP) and the process to approve recruitment and timesheets worked by Bank and Liaison (TempRe) staff; which are now part of the PO exemptions list.

Financial Accounts has implemented in April 2019 in conjunction with Procurement a “No PO no payment policy” which had a direct impact on SFIs, this section has also been addressed to incorporate

exemptions such as business rates, supply chain purchases, pharmacy orders placed via JAC system just to name a few.

The “Handling lost property” policy has been approved by EDG on 21 February 2019 which impact on SFIs have already been included in January’s version.

A refresh of the “Losses and Special Payments” policy has been approved by EDG on 25 July 2019. This policy is directly linked to the Scheme of Delegation and provides clearer guidance with regards to staff responsibilities and to the extent to which the Trust might be liable for losses and special payments.

Finance has also refreshed the “Income and collection” policy which was approved by EDG on 22 August 2019. The refreshed policy included important updates with regards to referral of aged debtors to external collection agencies such as CCI Legal. Also, an important update with regards to credit notes approval process reporting via ARC has been provided.

Finally, the short-term investment of surplus cash already addressed on January’s paper has been the subject to a minor update to address the need for a quick authorisation process which is reflected within the Scheme of Delegation accordingly.

Changes made after the papers submitted above are:

- Amended all references from “Finance, Information and Performance Committee “(FIPC) to “Finance and Performance Committee” (FPC)
- Updated the PO exemptions’ list. SFI section 6 (f)
- Scheme of Reservation and Delegation of Power section 7 (3a Authority delegated to)
- Scheme of Reservation and Delegation of Power section 7 (8a and 8b)
- Updated Standing Orders section 9
- Updated Standing Orders Appendix A

Please refer to the attached appendix for a full list of proposed changes.

These changes were endorsed by the Executive Directors’ Group at their meeting held on 5 December 2019.

3. Next Steps

The Group is asked to note the actions required by the Trust to implement the confirmed changes in the “Standing Orders, Reservation & Delegation of Powers, incorporated the Scheme of Delegation & Standing Financial Instructions” 2019/20.

4. Required Actions

The Board is requested to approve changes to the “Standing Orders, Reservation & Delegation of Powers, incorporated the Scheme of Delegation & Standing Financial Instructions”.

5. Monitoring Arrangements

Monitoring of this process is carried out through the annual accounts review and approval process by both the Audit & Risk Committee and the Board of Directors as part of the Draft and final submission of the Annual Report and Accounts process.

6. Contact Details

For further information, please contact:

- James Sabin, Deputy Director of Finance
 - james.sabin@shsc.nhs.uk; jeanine.hall@shsc.nhs.uk;
 - 01142 263384; ext 63384
- Gabriel Recalde, Head of Financial Accounts
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APPENDIX A – Details of proposed changes

Section A - STANDING ORDERS Changes

Current version	Proposed changes (in red)
<p>9.3 The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estatecode" and shall consider the guidance "Best Practice in making Investments for NHS Foundation Trusts" and such other guidance as may be issued by the Independent Regulator from time to time in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health guidance "The Procurement and Management of Consultants within the NHS".</p>	<p>9.3 The Trust shall comply as far as is practicable with the requirements of the Department of Health and Social Care "Capital regime, investment and property business case approval guidance for NHS providers" and "The efficient management of healthcare estates and facilities (HBN 00-08)" and shall consider the guidance "NHS Providers, guidance on transactions for NHS Foundation Trusts (Monitor 2015)" and such other guidance as may be issued by the Independent Regulator from time to time in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health and Social Care guidance "The Procurement and Management of Consultants within the NHS"</p>
<p>9.6.1 the estimated expenditure or income does not, or is not reasonably expected to, exceed £30,000 (excluding VAT) in total, (this figure to be reviewed annually)</p>	<p>9.6.1 the estimated expenditure or income does not, or is not reasonably expected to, exceed £30,000 (including VAT) in total, (this figure to be reviewed annually)</p>
<p>9.6.7 where provided for in the Capital Investment Manual,</p>	<p>9.6.7 where provided for in the Capital regime, investment and property business case approval guidance for NHS providers,</p>
<p>9.11.3 any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement and Management of Consultants;</p>	<p>9.11.3 any relevant directions including the Capital regime, investment and property business case approval guidance for NHS, The efficient management of healthcare estates and facilities (HBN 00-08) and guidance on the Procurement and Management of Consultants;</p>
<p>9.12 Quotations - are required where formal tendering procedures are waived under Standing Order 9.5, 9.6.1 or 9.6.3 and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000.</p>	<p>9.12 Quotations - are required where formal tendering procedures are waived under Standing Order 9.5, 9.6.1 or 9.6.3 and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000. (including VAT)</p>
<p>9.18 Appendix A section 6 - Authorisation of Tenders and Competitive Quotations: Providing all the conditions and circumstances set out in these Standing Financial</p>	<p>9.18 Appendix A section 6 - Authorisation of Tenders and Competitive Quotations: Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and</p>

<p>Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by the staff and the contract signed, to the value of the contract in accordance with the Scheme of Delegation (see Appendix A)</p> <p>Designated Budget Holders up to £4,999 Authorised Budget Holders Managers (per SoD) up to £9,999 Head of Contracting/Procurement up to £9,999 (i.e. as per Scheme of Delegation) Deputy Director of Finance up to £99,999 Chief Executive, Deputy Chief Executive, Director of Finance, with BPG approval up to £249,999 2 from Chief Executive, Deputy Chief Executive or Director of Finance with EDG Approval up to £499,999 2 from Chief Executive, Deputy Chief Executive or Director of Finance with FIC Approval up to £1m 2 from Chief Executive, Deputy Chief Executive or Director of Finance with Trust Board Approval over £1m These levels of authorisation may be varied or changed and need to be read in conjunction with the Trust Board's Scheme of Delegation.</p>	<p>awarding of a contract may be decided by the staff and the contract signed, to the value of the contract) in accordance with the Scheme of Delegation (see Appendix A)</p> <p>Designated Budget Holders up to £4,999 Authorised Budget Holders Managers (per SoD) up to £9,999 Head of Contracting/Procurement up to £9,999 (i.e. as per Scheme of Delegation) Deputy Director of Finance up to £99,999 Chief Executive, Deputy Chief Executive, Director of Finance, with BPG approval up to £249,999 2 from Chief Executive, Deputy Chief Executive or Director of Finance with EDG Approval up to £1m 2 from Chief Executive, Deputy Chief Executive or Director of Finance with FIPC Approval up to £2m 2 from Chief Executive, Deputy Chief Executive or Director of Finance with Trust Board Approval over £2m These levels of authorisation may be varied or changed and need to be read in conjunction with the Trust Board's Scheme of Delegation.</p>
<p>9.19 Trust Procurement Procedures – Where tenders or quotations are not required, because expenditure is below £10,000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Trust.</p>	<p>9.19 Trust Procurement Procedures – Where tenders or quotations are not required, because expenditure is below £10,000, (including VAT) the Trust shall procure goods and services in accordance with procurement procedures approved by the Trust.</p>
<p>10 Disposals 10.1.2 obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;</p>	<p>10 Disposals 10.1.2 obsolete or condemned articles and stores, which may be disposed of in accordance with the disposal policy of the Trust;</p>
<p>11 In-house services 11.1.4 Evaluation team, comprising normally a specialist Officer, a supplies Officer and a Director of Finance representative. For services having a likely annual expenditure exceeding £500,000, a Non-Executive Director should be a Director of the evaluation team.</p>	<p>11 In-house services 11.1.4 Evaluation team, comprising normally a specialist Officer, a Procurement Officer and a Director of Finance representative. For services having a likely annual expenditure exceeding £500,000, (including VAT) a Non-Executive Director should be a Director of the evaluation team.</p>
<p>Appendix A – Invitation to tender All invitations to tender on a formal competitive basis shall state that no tender will be considered for acceptance unless submitted in either:</p>	<p>Appendix A – Invitation to tender All invitations to tender on a formal competitive basis must be submitted via the In-Tend online portal.</p> <p>Removed 1.1.1 to 1.1.3 as no longer applicable.</p>

<p>1.1.1 a plain, sealed package bearing a pre-printed label supplied by the Trust (or bearing the word `Tender' followed by the subject to which it relates and the latest date and time for the receipt of such tender); or</p> <p>1.1.2 (in a special envelope supplied by the Trust to prospective tenderers and the tender envelopes/packages shall not bear any names or marks indicating the sender.</p> <p>1.1.3 submitted through an appropriate electronic tender process as agreed with the Executive Director of Finance.</p>	
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Note other minor changes to Committee names.

Section B – SCHEME OF RESERVATION AND DELEGATION OF POWERS Changes

Current version	Proposed changes (in red)
<p>RESERVATION OF POWERS TO THE BOARD</p> <p>Strategy, Plans and Budgets</p> <p>10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £500,000. For services delegated by the Local Authority the amount is £100,000.</p> <p>11. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board.</p> <p>12. Approve individual compensation payments.</p> <p>13. Approve proposals for action on litigation against or on behalf of the Trust.</p> <p>14. Review use of NHSLA risk pooling schemes (LPST/CNST/RPST).</p>	<p>RESERVATION OF POWERS TO THE BOARD</p> <p>Strategy, Plans and Budgets</p> <p>10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £2,000,000 (including VAT). For services delegated by the Local Authority the amount is £100,000 (including VAT).</p> <p>11. Approve proposals in individual cases for the write off of losses. Special payments above the limits of delegation to the Chief Executive (£50,000) are to be referred to HM Treasury for authorisation further to Board approval.</p> <p>12. Approve individual compensation payments proposals for HM Treasury’s referral and authorisation.</p> <p>13. Approve proposals for action on litigation against or on behalf of the Trust.</p> <p>14. Review use of NHS Resolution risk pooling schemes (LPST/CNST/RPST).</p>
<p>Direct Operational Decisions</p> <p>1. Acquisition, disposal or change of use of land and/or buildings.</p> <p>2. The introduction or discontinuance of any significant activity or operation. An activity or operation shall be regarded as significant if it has a gross annual income or expenditure (that is before any set off) in excess of £500,000.</p> <p>3. Approval of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £500,000 over a 3 year period or the period of the contract if longer.</p> <p>4. Approve Outline and Final Business Cases for Capital Investment above £1m</p> <p>5. Approval of individual compensation payments over £50,000 prior to submission to NHS Improvement / Treasury</p> <p>6. To agree action on significant litigation against or on behalf of the Trust.</p>	<p>Direct Operational Decisions</p> <p>1. Acquisition, disposal or change of use of land and/or buildings.</p> <p>2. The introduction or discontinuance of any significant activity or operation. An activity or operation shall be regarded as significant if it has a gross annual income or expenditure (that is before any set off) in excess of £2,000,000 (including VAT for expenditure).</p> <p>3. Approval of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £2,000,000 (including VAT) over a 3 year period or the period of the contract if longer.</p> <p>4. Approve Outline and Final Business Cases for Capital Investment over £2,000,000</p> <p>5. Approval of individual compensation payments over £50,000 prior to submission to NHS Improvement / HM Treasury for authorisation.</p> <p>6. To agree action on significant litigation against or on behalf of the Trust.</p>
<p>Section 7 part 3 a third bullet point on the “authority delegated to” column for all requisitions from £10k to £99.9k</p>	<p>Section 7 part 3 a third bullet point on the “authority delegated to” column for all requisitions from £10k to £99.9k</p>

<ul style="list-style-type: none"> Delegated budget holder & responsible Executive Director, or Deputy Director of Finance 	<ul style="list-style-type: none"> Delegated budget holder & responsible Executive Director, Deputy Director of Finance or Principal Accountant
9.2.(4) APPROPRIATE EXECUTIVE DIRECTOR Approve proposed prepayment arrangements.	9.2.(4) APPROPRIATE EXECUTIVE DIRECTOR Approve proposed prepayment arrangements rendering at least 20% of savings.
9.2.(4) DIRECTOR OF FINANCE Approve proposed prepayment arrangements	9.2.(4) DIRECTOR OF FINANCE / DEPUTY DIRECTOR OF FINANCE Approve proposed prepayment arrangements based on "VFM" assessment.
14.2(4) BOARD Approve write off of losses (within limits delegated by the Independent Regulator)	14.2(4) BOARD Approve write off of losses (within limits delegated by the Independent Regulator/ HM Treasury via NHSI)
Section 7. DETAILED SCHEME OF DELEGATION BY AREA/TYPE TO THE LOWEST LEVEL OF DELEGATION	Section 7. DETAILED SCHEME OF DELEGATION BY AREA/TYPE TO THE LOWEST LEVEL OF DELEGATION
Part 3 a third bullet point on the "authority delegated to" column for all requisitions from £10k to £99.9k <ul style="list-style-type: none"> Delegated budget holder & responsible Executive Director, or Deputy Director of Finance 	Part 3 a third bullet point on the "authority delegated to" column for all requisitions from £10k to £99.9k <ul style="list-style-type: none"> Delegated budget holder & responsible Executive Director, Deputy Director of Finance or Principal Accountant
Part 3 Delegated Matter Non-Pay Revenue & Capital Expenditure/ Requisitioning/Ordering/Payment of Goods & Services (Excluding Call Off Orders) <p>a) Approving requisitions</p> <ul style="list-style-type: none"> Stock /non- stock requisitions up to £499 Stock /non- stock requisitions up to £999 Stock /non- stock requisitions up to £9,999 all requisitions (other than Pharmacy drugs orders, IT orders and Estates Works orders) from £10,000 to £99,999 all requisitions (other than Pharmacy drugs orders, IT orders and Estates Works orders) from £100,000 to £249,999 all requisitions over £250,000 to £499,999 all requisitions over £500,000 to £999,999 all requisitions over £1m 	Part 3 Delegated Matter Non-Pay Revenue & Capital Expenditure/ Requisitioning/Ordering/Payment of Goods & Services (Excluding Call Off Orders) <p>a) Approving requisitions</p> <ul style="list-style-type: none"> Stock /non- stock requisitions up to £499 Stock /non- stock requisitions up to £999 Stock /non- stock requisitions up to £9,999 all requisitions (other than Pharmacy drugs orders, IT orders and Estates Works orders) from £10,000 to £99,999 all requisitions (other than Pharmacy drugs orders, IT orders and Estates Works orders) from £100,000 to £249,999 all requisitions over £250,000 to £1,000,000 all requisitions over £1,000,000 to £2,000,000 all requisitions over £2,000,000

IMST Orders up to £99,999 – Authority delegated to Director of IMST	IMST Orders up to £99,999 – Authority delegated to Director of IMST or Deputy Director of Finance
4 Capital Schemes d) Granting and termination of leases of >£100k Authority delegated to Chief Executive or Director of Finance with Non-Executive Director	4 Capital Schemes d) Granting and termination of leases of >£100k Authority delegated to Chief Executive or Director of Finance with Non-Executive Director
5 e) Waiver of quotations & tenders subject to SFIs - Subject to compliance with SFIs para. 9.6 for under £30,000 officers can waive tendering process without reference to the Chief Executive.	5 e) Waiver of quotations & tenders subject to SFIs - Subject to compliance with SFIs para. 9.6 for under £30,000 (including VAT) officers can waive tendering process without reference to the Chief Executive.
8. Expenditure on Charitable and Endowment Funds a) Up to £4,999 per request Chief Executive; Deputy Chief Executive, Director of Finance or Deputy. Finance and Performance Committee b) Over £5,000 per request Chief Executive/Director of Finance, Finance and Performance Committee and then referred to the Board of Sheffield Hospitals Charitable Trust.	8. Expenditure on Charitable and Endowment Funds a) Up to £9,999 per request 2 signatures from Chief Executive; Deputy Chief Executive, Director of Finance or Deputy Director of Finance. b) Over £10,000 per request 1 signature from Chief Executive/Director of Finance; plus, Finance and Performance Committee approval, and then referred to the Board of Sheffield Hospitals Charitable Trust.
9. Agreements/Licences (see also 4 c&d above) – Authority delegated to b) Director of Facilities c) Director of Finance and Director of Facilities d) Director of Facilities	9. Agreements/Licences (see also 4 c&d above) – Authority delegated to b) Director of Facilities or Deputy Director of Finance c) Director of Finance and Director of Facilities or Deputy Director of Finance d) Director of Facilities or Deputy Director of Finance
11. Losses, Write-off & Compensation – Authority delegated to a) Chief Executive or Director of Finance and report to the Board via the Audit Committee	11. Losses, Write-off & Compensation – Authority delegated to a) Chief Executive or Deputy Director of Finance and report to the Board via the Audit & Risk Committee
Special Payments g) i Service/Clinical Directors (Up to £1,000) and report to the Board, via the Audit Committee. g) ii Chief Executive or Director of Finance and report to the Board, via the Audit Committee	Special Payments g) i Service/Clinical Directors (Up to £1,000 but within the limits established in the “Losses and Special Payments policy” appendix “J”) and report to the Board, via the Audit Committee. g) ii Chief Executive or Director of Finance and report to the Board, via the Audit Committee and seek approval for submission to HM Treasury over £50,000.

Other minor changes within section “B” are related to change of names and references to FPC, (formerly FIC), Audit Committee to “Audit and Risk Committee”, NHS Litigation Authority, to NHS Resolutions, and changes to job titles and references to Trust’s policies where applicable.

Section C – STANDING FINANCIAL INSTRUCTIONS Changes

Current version	Proposed changes (in red)
<p>6.3 Debt Recovery</p> <p>(2) Income not received should be dealt with in accordance with losses procedures</p> <p>(3) Overpayments should be detected (or preferably prevented) and recovery initiated immediately either via Payroll or obtaining a credit note from Suppliers or immediate repayment.</p>	<p>6.3 Debt Recovery</p> <p>(2) Income not received after all debt recovery avenues have been exhausted as per the “Income Collection Policy”, should be dealt with in accordance with losses procedures contained in the “Losses and Special Payments Policy”</p> <p>(3) Overpayments should be detected (or preferably prevented) and recovery initiated immediately via Payroll where staff is still employed by the Trust as per the “Overpayment of Salary Policy”; or via a sales invoice to the individual concerned. In the event of overpayment to suppliers, recovery should be initiated immediately by obtaining a credit note from Suppliers or immediate refund payment.</p>
<p>8.4 Processing Payroll</p> <p>4) The Payroll provider will have authority to automatically recover any salary overpayment made via the next available payslip within designated guidelines in the Salary Overpayment policy. If the overpayment has accumulated over 6 months, repayment via instalments up to 6 months may be arranged by the payroll provider without prior agreement by the Director of Finance. However, all instalment options that exceed the timeframe that the overpayment built up over require Director of Finance approval. HR’s role is to communicate the occurrence to the employee in advance.</p>	<p>8.4 Processing Payroll</p> <p>4) The Payroll provider will have authority to automatically recover any salary overpayment made via the next available payslip within designated guidelines in the Salary Overpayment policy. If the overpayment has accumulated over 6 months, repayment via instalments up to 6 months may be arranged by the payroll provider without prior agreement by the Director of Finance. However, all instalment options that exceed the timeframe that the overpayment built up over require Director of Finance or Deputy Director of Finance approval. HR’s role is to communicate the occurrence to the employee in advance.</p>
<p>9.2 section 1 Requisitioning part c PO exemptions list</p>	<p>9.2 section 1 Requisitioning part c PO exemptions list – Note updated list</p>
<p>(2) System of Payment and Payment Verification</p> <p>3 (c) be responsible for the prompt payment of all properly authorised accounts and claims.</p>	<p>(2) System of Payment and Payment Verification</p> <p>3 (c) be responsible for the prompt payment of all properly authorised accounts and claims. Faster payments are to be made on the signature of the Deputy DoF or Principal Accountant for:</p>

	<p>Workers shift worked via Liaison TempRe services. Consolidated travel and interpreters' invoices. All of these should be followed by a proper reconciliation and approval of the relevant budget holder.</p>
<p>(4) Prepayments b) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%). Costs must be weighed against the risk of the Supplier going into liquidation. The economic environment and strength of the Supplier's Financial Position (via review of their Accounts) should be undertaken.</p>	<p>(4) Prepayments b) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the Cost of Capital or Weighted Average Cost of Capital (WACC) if applicable). In order to consider a prepayment, as minimum criteria, it should render at least 20% of savings. If this criterion is met, then a full credit check should be performed along with a VFM analysis and costs must be weighed against the risk of the Supplier going into liquidation. The economic environment and strength of the Supplier's Financial Position (via review of their Accounts) should be undertaken.</p>
<p>(e) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);</p>	<p>(e) The Director of Finance or the Deputy Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);</p>
<p>Duties of Managers and Officers f) all goods, services, or works are ordered on an official order except;</p> <ul style="list-style-type: none"> <input type="checkbox"/> those elements of works orders and services which are purchased in accordance with a (signed) contract <input type="checkbox"/> Governors expenses claims. <input type="checkbox"/> Ex-gratia payments to Service Users / Staff under the Losses and Special Payments policy <input type="checkbox"/> Salary advances to staff <input type="checkbox"/> Petty cash reimbursements (assuming appropriate receipts presented and appropriately approved within delegated limits) <input type="checkbox"/> National non-domestic rates paid to Sheffield City Council <input type="checkbox"/> Kings Armoured „Petty Cash“ reimbursement cheques <input type="checkbox"/> VAT return payments <input type="checkbox"/> Payroll deduction payments (for example to Unison, Westfield, Salary Sacrifice providers etc.) 	<p>Duties of Managers and Officers f) The Trust operates on a “no PO no Payment” policy. All goods, services, or works are ordered on an official order from Integra, or JAC except;</p> <ul style="list-style-type: none"> • those elements of works orders and services which are purchased in accordance with a (signed) contract i.e. leases of buildings, however PO is preferred for prompt matching and payment of invoices. • Governors expenses claims. • Ex-gratia payments to Service Users / Staff under the Losses and Special Payments policy • Salary advances to staff • Petty cash reimbursements (assuming appropriate receipts presented and appropriately approved within delegated limits) • National non-domestic rates paid to Sheffield City Council • Kings Armoured ‘Petty Cash’ reimbursement cheques

<ul style="list-style-type: none"> <input type="checkbox"/> Litigation payments under NHSLA direction <input type="checkbox"/> NHS Supply Chain payments <input type="checkbox"/> HMRC payroll pay-overs (Superannuation etc.) <input type="checkbox"/> Bank charges <input type="checkbox"/> Charity Trust Fund recharges <input type="checkbox"/> Utility charges (Gas, Water, Telephony, Electricity) 	<ul style="list-style-type: none"> • VAT return payments • Payroll deduction payments (for example to Unison, Westfield, Salary Sacrifice providers etc.) • Litigation payments under NHS Resolutions' direction • Supply Chain Coordination Limited (formerly NHS Supply Chain) payments • HMRC payroll pay-overs (Superannuation etc.) • Bank charges • Charity Trust Fund recharges • Utility charges (Gas, Water, Telephony, Electricity) • Pharmacy invoices for purchase of drugs and other pharmaceutical related items ordered via JAC systems • Recharges for external Payroll services (to cover internal bank and medical locums) i.e. TempRe payments to cover internal bank and external locum pay. • Agency fees for direct locums engagements (related to external locum pay above) after timesheets have been duly authorised by relevant Managers • Standing order payments for franking machine top-up charges • Retirement entitlements (refer to "Retirement Policy" section 6.8) • Consolidated invoices where each item charged is supported by individual purchase orders.
<p>10.2 INVESTMENTS</p> <p>(1) Temporary cash surpluses must be held only in such public or private sector investments as notified by the Board and within the terms of guidance as may be issued by the Independent Regulator from time to time and authorised by the Board.</p>	<p>10.2 INVESTMENTS</p> <p>(1) Temporary cash surpluses must be held only in Government Banking Service (GBS), which includes the National Loans Fund (NLF) as analogous to GBS; or in private sector investments defined as "Safe Harbour" as notified by the Board and within the terms of guidance as may be issued by the Independent Regulator from time to time and authorised by the Board. Temporary Deposits Facility (TDF) is available with the NLF for deposits of up to a maximum period of 6 months. The minimum amount required is £1 million and there's no upper limit. The maximum amount to be deposited by the Trust will be assessed by the timing of Cash Flows in line with interest rates on offer in order to maximise interest income. The Trust has an existing operational account with the NLF for immediate use. In order to action the investment, the Financial Accounts team will obtain 2 signatures from Chief Executive, Deputy Chief Executive, Director</p>

<p>(3) The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.</p> <p>(4) The Board will report to the Independent Regulator on any proposed major investments that could affect their financial risk rating as part of the annual planning process or in the year prior to financial closure. In determining whether any investment decision is to be reported to the Independent Regulator the Trust will take into account guidance issued by the Independent Regulator "Risk Evaluation for Investment Decisions by NHS foundation trusts" as amended from time to time.</p>	<p>of Finance and/or the Deputy Director of Finance accordingly.</p> <p>(3) The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained in adherence to the "Treasury Management Policy".</p> <p>(4) The Board will report to the Independent Regulator on any proposed major investments (Significant transactions) that could affect their financial risk rating as part of the annual planning process or in the year prior to financial closure. In determining whether any investment decision is to be reported to the Independent Regulator the Trust will take into account latest guidance issued by the Independent Regulator. "Risk Evaluation for Investment Decisions by NHS foundation trusts" as amended from time to time.</p>
<p>12.1 Capital Investment</p> <p>(2) For every capital expenditure proposal the Director of Finance shall ensure:</p> <p>(a) that a business case (in consideration of the guidance "Supporting NHS Providers: guidance on transactions for NHS FTs" (Monitor 2015)) and in line with the guidance contained within the Capital Investment Manual (DH 1994), NHS EstateCode (DH 2007) and HM Treasury Five Case Model (HM Treasury 2007) is produced setting out:</p>	<p>12.1 Capital Investment</p> <p>(2) For every capital expenditure proposal the Director of Finance shall ensure:</p> <p>(a) that a business case, (in consideration of the "Capital regime, investment and property business case approval guidance for NHS providers" and in line with "The efficient management of healthcare estates and facilities (HBN 00-08)", is produced setting out:</p>
<p>(3) For capital schemes where the contracts stipulate stage payments, the Director of Finance will issue procedures for their management, incorporating the recommendations of "Estatecode" (until such time as any guidance is issued by the Independent Regulator).</p>	<p>(3) For capital schemes where the contracts stipulate stage payments, the Director of Finance will issue procedures for their management, incorporating the recommendations of "The efficient management of healthcare estates and facilities (HBN 00-08)" (until such time as any guidance is issued by the Independent Regulator).</p>
<p>12.4 Security of Assets</p> <p>(2) Asset control procedures (including property, plant and equipment and intangible assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall meet the requirements of the NHS Protect "Guidance on the security and management of NHS Assets" (NHS Protect 2012) and shall make provision for:</p>	<p>12.4 Security of Assets</p> <p>(2) Asset control procedures (including property, plant and equipment and intangible assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. The "Capital Programme Management Policy", along with the "Disposal of assets policy" shall make provision for:</p>

14.2 Losses and Special Payments

(1) Procedures

The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

All employees should adhere to the trust's "Losses and Special Payments Policy and Procedures."

14.2 Losses and Special Payments

(1) Procedures

The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments as per "HM Treasury's Managing Public Funds" guidance.

The National Health Service Act 2006 designates the Chief Executive of a NHS Foundation Trust as the "Accounting Officer".

The Treasury does not condemn all special payments out of hand. Each needs to be justified properly in the public interest against the key public sector principles with particular emphasis on value for money since there is no legal liability

SHSC's Chief Executive has the authority to approve ex-gratia payments up to £50,000. However Departments should consult Treasury irrespective of delegations which involve important questions of principle; contains lessons which might be of wider interest or might create a precedent for other departments.

All employees should adhere to the trust's "Losses and Special Payments Policy and Procedures."

16 PATIENTS' PROPERTY

16.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released.

Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

16.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

16 PATIENTS' PROPERTY

16.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

16.6 However there are circumstances where the Trust has not been able to transfer the inheritance to known relatives and the "Bona Vacantia Division" (BVD) of the Government Legal Department (formerly "Treasury Solicitors") "does not deal with Estates where there are known or likely to be entitled relatives who survived the deceased even if these have subsequently died, cannot be traced, or do

16.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

not wish to deal with the estate". In such cases the Trust will contact "Finders International" a firm established in 1997 who trace beneficiaries and next of kin to over 1,000 Estates every year. The service will be provided free of charge to the Trust.

16.7 Where the estate is believed to be under £5,000 Finders will undertake the search free of charge to the council (or other public sector body) and next of kin. Where the estate value is believed to exceed £5,000 Finders will ask beneficiaries to sign an agreement with Finders authorising payment of their fees by the administrating solicitors.

16.8 Finders' fees are calculated as a percentage of the net entitlement due to the beneficiary which range between 10-20% plus VAT. Finders only receive payment if the beneficiary does. If however it turns out that the estate is insolvent, or the relatives they have located become disinherited by a Will or by a closer kin, the costs are written-off

16.9 In cases where cash balances are unable to be transferred to relatives or next of kin because they are untraceable; the Financial Accounts will transfer balances to the Trust Charitable Funds, with provisions to return those monies in the event of a late legitimate claim. If any doubts, the Trust will seek legal advice.

16.10 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

16.11 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

16.12 Items of lost property should be handled in accordance to the "Handling Lost Property Policy".

Other minor changes to section "C" are in relation to name changes. i.e. "NHS Protect" to "NHS Counter Fraud Authority"; "Supplies department" to "Procurement department"; "NHS Logistics" to "Supply Chain Coordination Limited" (SCCL). Also references to old NHS guidance have been updated, and references to new Trust's policies have been made where applicable.