



Policy: Standing Orders, Reservation & Delegation of Powers, incorporated the Scheme of Delegation & Standing Financial Instructions

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Feedback on implementation to	Deputy Director of Finance

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Policy Version and advice on document history, availability and storage

Current version: December 2019, ratified by Board of Directors dd/mm/yyyy

This policy has been updated to reflect current Trust practices and current Committee Terms of Reference.

This policy is stored and available through the SHSC Intranet. It replaces the previous Standing Orders, Reservation & Delegation of Powers and Standing Financial Instructions and all copies of the previous policy should be destroyed.

Once ratified by Board of Directors needs to be submitted to NHS Improvement for approval.

Previous version: ratified by Board of Directors on 12th July 2017

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i. Scope of this Policy

This is a Trust-wide Policy and relates to all Sheffield Health & Social Care NHS Foundation Trust staff.

ii. Dissemination, storage and archiving

This policy will be posted on the Sheffield Health and Social Care NHS Foundation Trust's website and available to all staff.

An e-mail will be sent to managers within the Trust informing them that the policy has been updated and will include a summary of the main changes.

iii. Training and other resource implications

There are no training implications associated with this policy.

iv. Audit, Monitoring and Review

The implementation of this policy will be reviewed as a result of changes to legislation and audit recommendations.

v. Implementation plan

The processes in this policy have already been implemented.

vi. Links to Other Policies

- Delegation of Budgetary Authority

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SECTION A

Sheffield Health & Social Care NHS Foundation Trust

Standing Orders

Board of Directors

FOREWORD

Trust Boards have a responsibility to agree Standing Orders and Schedules of Reservation of Powers and Delegation of Powers to their boards.

These documents, together with Standing Financial Instructions, provide a regulatory framework for the business conduct of the Trust. They fulfill the dual role of protecting the Trust's interests (by ensuring, for example, that all transactions maximise the benefit to the Trust) and protecting staff from possible accusations that they have acted less than properly. This is provided of course, staff have followed the correct procedures outlined in the relevant document.

The Standing Orders, Scheme of Delegation document and Standing Financial Instructions provide a comprehensive business framework. All Directors and all staff should be aware of the existence of these documents and, where necessary, be familiar with their detailed provisions to the extent required for the proper conduct of their duties.

INTRODUCTION

Statutory Framework

The Sheffield Health and Social Care NHS Foundation Trust (“**the Trust**”) is a public benefit corporation which was established under the 2006 Act on 1st July 2008 subject to its Constitution and Terms of Authorisation.

The Headquarters of the Trust is Fulwood House, Old Fulwood Road, Sheffield S10 3TH.

NHS Foundation Trusts are governed by a regulatory framework that confers the functions of the Trust and comprises the 2006 Act, the Constitution and the Terms of Authorisation. The powers of the Trust are set out in the 2006 Act subject to any restrictions in the Terms of Authorisation.

The Trust will be bound by such other statute and legal provisions or guidance which governs the conduct of its affairs.

As a statutory body the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter note it is accountable to the Charity Commission for those funds deemed to be charitable. In addition, the Trust has a common law duty as a bailee for patients' property held by the Trust on behalf of the patients.

The Trust also has statutory powers under section 256 of the 2006 Act to fund projects jointly planned with local authorities, voluntary organisations and other bodies.

In accordance with paragraph 27 of the Constitution, the Standing Orders of the Board of Directors are to be set out in this Annex 8. The Trust adopts Standing Orders for the regulation of proceedings and business. The Trust has adopted Standing Financial Instructions as an integral part of the Standing Orders setting out the responsibilities of individuals.

NHS Framework

The Trust Board will draw up a schedule of decisions reserved to the Board, and will ensure that management arrangements are in place to ensure responsibility to be clearly delegated to the Executive Committee and to senior executives (a scheme of delegation). The Trust will also have regard to the NHS Foundation Trust Code of Governance and the Constitution, which make various requirements concerning possible conflicts of interest of Board Directors.

The Code of Practice on Openness in the NHS (which is subject to the Freedom of Information Act 2000) sets out the requirements for public access to information on the NHS.

Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 4) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 5 or by an Officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit ". Delegated Powers are covered in a separate document (Reservation of Powers to the Board and Delegation of Powers).

1. INTERPRETATIONS AND DEFINITIONS

- 1.1 Save as otherwise permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of Standing Orders (on which he should be advised by the Chief Executive or Company Secretary).
- 1.2 All references in these Standing Orders to the masculine gender shall be read equally applicable to the feminine gender.
- 1.3 For convenience, and unless the context otherwise requires, the terms and expressions contained within the Interpretations and Definitions section of the Constitution at page 1 are incorporated and are deemed to have been repeated here verbatim for the purposes of interpreting words contained in this Annex 8 and in addition:

"Audit and Risk Committee" & "Quality Assurance Committee" means a committee whose functions are concerned with providing the Trust Board with a means of independent and objective review and monitoring financial systems and information, quality and clinical effectiveness, compliance with law, guidance and codes of conduct, effectiveness of risk management, the processes of governance and the delivery of the Board Assurance Framework.

"Committee" means a committee or sub-committee appointed by the Trust.

"Committee Members" shall be persons formally appointed by the Trust to sit on or to chair specific committees.

"Contracting and Procuring" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.

"Funds held on trust" means those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under Schedule 6, paragraph 8 of the 2006 Act. Such funds may or may not be charitable.

"Commissioning" means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

"Nominated Officer" means an Officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

"Officer" means an employee of the Trust or any other person holding a paid appointment or office with the Trust.

"SFIs" means Standing Financial Instructions.

"SOs" means Standing Orders.

2. THE BOARD

- 2.1 All business shall be conducted in the name of the Trust.
- 2.2 All funds received in trust shall be held in the name of the Trust as corporate trustee. Powers exercised by the Trust as corporate trustee shall be exercised separately and distinctly from those powers exercised as a Foundation Trust.
- 2.3 The powers of the Trust shall be exercised in public or private session as provided for in SO 3.
- 2.4 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in Reservation of Powers to the Board and have effect as if incorporated into the Standing Orders.

- 2.5 **Composition of the Board** - In accordance with the Constitution, the composition of the Board shall comprise Directors being:
- 2.5.1 the non-executive Chair of the Trust;
 - 2.5.2 up to five other Non-Executive Directors;
 - 2.5.3 up to five Executive Directors, including:
 - (a) the Chief Executive (Accounting Officer);
 - (b) Finance Director;
 - (c) a registered medical practitioner or a registered dentist;
 - (d) a registered nurse or a registered midwife

unless, subject to SO 2.5A below, the Board determines at any time to increase the number in SO 2.5.2 or 2.5.3 above.
- 2.5A The Board of Directors shall at all times be constituted so that the number of Non-Executive Directors (excluding the Chair) equals or exceeds the number of Executive Directors.
- 2.6 **Appointment of the Chair and Directors** – The Chair and Non-Executive Directors are appointed (and removed) by the Council of Governors. The Chief Executive will be appointed or removed by the Non-Executive Directors subject to approval by the Council of Governors. The Trust shall appoint an Appointments Committee whose members shall be the Chair, Non-Executive Directors and the Chief Executive whose function will be to appoint the other Executive Directors of the Trust.
- 2.7 **Terms of Office of the Chair and Directors** – The provisions governing the period of tenure of office of the Chair and Directors and for the termination or suspension of office of the Chair and Directors are set out in the Constitution and these Standing Orders.
- 2.8 **Appointment and Powers of Vice-Chair** – Subject to SO 2.10 below, the Council of Governors may appoint a Non-Executive Director to be Vice-Chair for such a period, not exceeding the remainder of his term as Non-Executive Director of the Trust, as they may specify on appointing him.
- 2.9 Any Non-Executive Director so elected may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair and the Council of Governors may thereupon appoint another Non-Executive Director as Vice-Chair in accordance with standing order 2.8.
- 2.10 Where the Chair of the Trust has died or has ceased to hold office or where he has been unable to perform his duties as Chair owing to illness or any other cause, the Vice Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes his duties, as the case may be; and references to the Chair in these Standing Orders shall, so long as there is no Chair able to perform his duties, be taken to include references to the Vice-Chair.
- 2.11 **Joint Directors** - Where more than one person is appointed jointly to a post of Director, those persons shall count for the purpose of SO 2.5 as one person.
- 2.12 **Role of Directors** – The Board will function as a corporate decision-making body within which all Directors will be equal. Their role as members of the Board will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions. In exercising these functions the Board will consider guidance from the NHS Foundation Trust Code of Governance as amended from time to time.
- 2.13 **Senior Independent Director** – The Board of Directors shall appoint one of the Non-Executive Directors to be the Senior Independent Director, in consultation with the Council of Governors. The Senior Independent Director shall be available to Members and Governors if they have concerns which contact through the normal channels of the Chair, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate.

- 2.14 Associate Directors – The Board may appoint Associate Directors to assist the Board in exercising its specific functions. Such Associate Directors:
- 2.14.1 may attend Board meetings by invitation and serve on any committee or sub-committee; and
- 2.14.2 are not members of the Board and are not entitled to vote on any resolution of the Board.

3 MEETINGS OF THE BOARD

- 3.1 **Admission of the Public and the Press** – The meetings of the Board of Directors shall be open to members of the public and press unless the Board decides otherwise in relation to all or part of a meeting for reasons of confidentiality or on other proper grounds. A Director shall not disclose any matter reported to the Board, notwithstanding that the matter or action has been concluded, if the Board shall resolve that it is confidential.
- 3.2 In the event that the public and press are admitted to all or part of a Board meeting pursuant to SO 3.1 above, the Chair (or Vice Chair) shall give such directions as he thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Board's business shall be conducted without interruption and disruption and the public will be required to withdraw upon the Board resolving "that in the interests of public order the meeting adjourn for (*the period to be specified*) to enable the Board to complete business without the presence of the public".
- 3.3 Nothing in these Standing Orders shall be construed as permitting the introduction by the public or press representatives of recording, transmitting, video or small apparatus into meetings of the Board or Committee. Such permissions shall be granted only upon resolution of the Trust.
- 3.4 **Calling of Meetings** – Ordinary meetings of the Board shall be held a minimum of six times per year.
- 3.5 The Chair of the Trust may call a meeting of the Board at any time. If the Chair refuses to call a meeting after a requisition for that purpose, signed by at least one-third of the whole number of Directors, has been presented to him/her, or if, without so refusing, the Chair does not call a meeting within seven days after such requisition has been presented to him at the Trust's Headquarters, such one third or more Directors may forthwith call a meeting.
- 3.6 **Notice of Meetings** - Before each meeting of the Board, a notice of the meeting, specifying the business proposed to be transacted at it, and signed by the Chair or by an Officer authorised by the Chair to sign on his behalf shall be delivered to every Director, or sent by post to the usual place of residence of such Director, so as to be available to him at least three clear days before the meeting.
- 3.7 Want of service of the notice on any Director shall not affect the validity of a meeting.
- 3.8 In the case of a meeting called by Directors in default of the Chair, the notice shall be signed by those Directors and no business shall be transacted at the meeting other than that specified in the notice.
- 3.9 Agendas will normally be sent to members 5 days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency. Failure to serve such a notice on more than three Directors will invalidate the meeting. A notice shall be presumed to have been served one day after posting.
- 3.10 Before any meeting of the Board which is to be held in public, a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's office at least three clear days before the meeting.
- 3.11 **Setting the Agenda** - The Board may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted. Such matters may be identified within these Standing Orders or following subsequent resolution shall be listed in an Appendix to the Standing Orders.

- 3.12 A Director desiring a matter to be included on an agenda shall make his/her request in writing to the Chair at least 10 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 10 days before a meeting may be included on the agenda at the discretion of the Chair.
- 3.13 **Petitions** - Where a petition has been received by the Trust the Chair of the Board shall include the petition as an item for the agenda of the next Board meeting.
- 3.14 **Chair of Meeting** - At any meeting of the Board, the Chair of the Board, if present, shall preside. If the Chair is absent from the meeting the Vice-Chair, if there is one and he/she is present, shall preside. If the Chair and Vice-Chair are absent such Non-Executive as the Directors present shall choose shall preside.
- 3.15 If the Chair is absent temporarily on the grounds of a declared conflict of interest the Vice-Chair, if present, shall preside. If the Chair and Vice-Chair are absent, or are disqualified from participating, such Non-Executive Director as the Directors present shall choose shall preside.
- 3.16 **Notices of Motion** - A Director of the Board desiring to move or amend a motion shall send a written notice thereof at least 10 clear days before the meeting to the Chair, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This standing order shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda.
- 3.17 **Withdrawal of Motion or Amendments** - A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chair.
- 3.18 **Motion to Rescind a Resolution** - Notice of motion to amend or rescind any resolution (or the general substance of any resolution) which has been passed within the preceding 6 calendar months shall bear the signature of the Director who gives it and also the signature of 4 other Board Directors. When any such motion has been disposed of by the Board, it shall not be competent for any Director other than the Chair to propose a motion to the same effect within 6 months, however the Chair may do so if he/she considers it appropriate.
- 3.19 **Motions** - The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment thereto.
- 3.20 When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move¹:
- 3.20.1 an amendment to the motion noting, that no amendment to the motion shall be admitted if, in the opinion of the Chair of the meeting, the amendment negates the substance of the motion;the adjournment of the discussion or the meeting;
 - 3.20.2 that the meeting proceeds to the next business; (*)
 - 3.20.3 the appointment of an ad hoc committee to deal with a specific item of business;
 - 3.20.4 that the motion be now put. (*)
- Note in the case of sub-paragraphs 3.20.3 and 3.20.5 denoted by (*) above to ensure objectivity motions may only be put by a Director who has not previously taken part in the debate and who is eligible to vote.
- 3.21 **Chair's Ruling** - Statements of Directors made at meetings of the Board shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevancy, regularity and any other matters shall be final.
- 3.22 **Voting** - Every question at a meeting shall be determined by a majority of the votes of the Chair of the meeting and Directors present and voting on the question and, in the case of the number

of votes for and against a motion being equal, the Chair of the meeting shall have a second or casting vote.

- 3.23 All questions put to the vote shall, at the discretion of the Chair of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the Directors present so request.
- 3.24 If at least one-third of the Directors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each Director present voted or abstained.
- 3.25 If a Director so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).
- 3.26 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.
- 3.27 An Officer who has been appointed formally by the Board to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy, shall be entitled to exercise the voting rights of the Executive Director. An Officer attending the Board to represent an Executive Director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director. An Officer's status when attending a meeting shall be recorded in the minutes.
- 3.28 **Minutes** - The Minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they will be signed by the person presiding at it.
- 3.29 No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.
- 3.30 Minutes shall be circulated in accordance with Director' wishes. Where providing a record of a public meeting the minutes shall be made available to the public as required by Code of Practice on Openness in the NHS.
- 3.31 **Joint Directors** - Where the Office of a Director is shared jointly by more than one person:
- 3.31.1 Either or both of those persons may attend or take part in meetings of the Board:
 - 3.31.2 If both are present at a meeting they should cast one vote if they agree:
 - 3.31.3 In the case of disagreements no vote should be cast:
 - 3.31.4 The presence of either or both of those persons should count as the presence of one person for the purposes of SO 3.39 (Quorum).
- 3.32 **Suspension of Standing Orders** - Except where the Standing Orders would contravene any statutory provision or any provision in the Constitution or the Terms of Authorisation, any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Board are present, including one Executive Director and one Non-Executive Director, and that a majority of those present vote in favour of suspension.
- 3.33 A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.
- 3.34 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and Directors of the Board.
- 3.35 No formal business may be transacted while Standing Orders are suspended.
- 3.36 The Audit and Risk Committee shall review every decision to suspend Standing Orders.
- 3.37 **Variation and Amendment of Standing Orders** - These Standing Orders shall be amended only if:
- 3.37.1 a notice of motion under Standing Order 3.16 has been given; and

- 3.37.2 no fewer than half the total of the Trust's Non-Executive Directors vote in favour of amendment; and
 - 3.37.3 at least two-thirds of the Board Directors are present; and
 - 3.37.4 the variation proposed does not contravene any applicable Statutory provision or direction, the Constitution or the Terms of Authorisation.
- 3.38 **Record of Attendance** - The names of the Chair and Directors present at the meeting shall be recorded in the minutes.
- 3.39 **Quorum** - No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and Directors appointed, (including at least one Non-Executive Director and one Executive Director) are present.
- 3.40 An Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 3.41 If the Chair or Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest (see Standing Order 6 or 7) he shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business. The above requirement for at least one Executive Director to form part of the quorum shall not apply where the Executive Directors are excluded from a meeting (for example when the Board considers the recommendations of the Remuneration and Nominations Committee).

4 ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION

- 4.1 Subject to the Constitution, Terms of Authorisation or any relevant statutory provision, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions:
- 4.1.1 by a committee, sub-committee or,
 - 4.1.2 appointed by virtue of Standing Order 5.1 or 5.2 below or by an Officer of the Trust,
 - 4.1.3 or by another body as defined in Standing Order 4.2 below,
- in each case subject to such restrictions and conditions as the Trust thinks fit.
- 4.2 Where a function is delegated to a third party, the Trust has responsibility to ensure that the proper delegation is in place. In other situations, i.e. delegation to committees, sub committees or Officers, the Trust retains full responsibility.
- 4.3 **Emergency Powers** - The powers which the Board has retained to itself within these Standing Orders (Standing Order 2.4) may in emergency be exercised by the Chief Executive and the Chair after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chair shall be reported to the next formal meeting of the Executive Directors' Group and the Board for ratification.
- 4.4 **Delegation to Committees** - The Board shall agree from time to time to the delegation of executive powers to be exercised by committees, or sub-committees, or joint-committees, which it has formally constituted. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board in respect of its committees of the board.
- 4.5 **Delegation to Officers** - Those functions of the Trust which have not been retained as reserved by the Board or delegated to a committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate Officers to undertake the remaining functions for which he/she will still retain an accountability to the Trust.

- 4.6 **Powers of Discharge** – where the Trust is exercising the powers of discharge under Section 45 of the Mental Health Act 2007 such powers may be exercised by three or more persons authorised by the Board of Directors in that behalf, each of whom is neither an Executive Director nor an employee of the Trust. Please refer to the Mental Health Act Scheme of Delegation in Section B: Scheme of Reservation and Delegation of Powers, Scheme of Delegation.
- 4.7 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation that shall be considered and approved by the Board as indicated above.
- 4.8 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance to provide information and advise the Board in accordance with statutory or Independent Regulator requirements. Notwithstanding these requirements, the Director of Finance shall be accountable to the Chief Executive for operational matters.
- 4.9 The arrangements made by the Board as set out in the Scheme of Delegation document shall have effect as if incorporated in these Standing Orders.
- 4.10 Not used.
- 4.11 **Overriding Standing Orders** – If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Board for action or ratification. All Directors of the Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive/Deputy Chief Executive as soon as possible.

5 COMMITTEES

- 5.1 Subject to the Constitution, (and to any guidance issued by the Department of Health applicable to Foundation Trusts or as may be given by the Independent Regulator), the Trust may appoint committees of the Trust, or together with one or more Health Authorities or other Trusts, appoint joint committees, consisting wholly or partly of the Chair and members of the Trust or other health service bodies or wholly of persons who are not members of the Trust or other health service bodies in question.
- 5.2 A committee or joint committee appointed under SO 5.1 may, subject to such directions as may be given the Trust or other health service bodies in question, appoint sub-committees consisting wholly or partly of members of the committee or joint committee (whether or not they are members of the Trust or other health service bodies in question); or wholly of persons who are not members of the Trust or other health service bodies or the committee of the Trust or other health service bodies in question.
- 5.3 The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees established by the Trust. In which case the term “Chair” is to be read as a reference to the Chair of the committee as the context permits, and the term “member” is to be read as a reference to a member of the committee also as the context permits. (There is no requirement to hold meetings of committees, established by the Trust in public).
- 5.4 Each such committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board shall decide and shall be in accordance with any applicable legislation and regulation or direction. Such terms of reference shall have effect as if incorporated into the Standing Orders. A member of a committee shall not disclose any matter reported to the Board or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee shall resolve that it is confidential.
- 5.5 Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Board.
- 5.6 The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither Directors nor Officers, shall be appointed to a committee the terms of such appointment shall

be within the powers of the Board. The Board shall define the powers of such appointees and shall agree allowances (including reimbursement for loss of earnings) and/or expenses in accordance with national guidance (where appropriate).

- 5.7 Where the Board is required to appoint persons to a committee and/or to undertake statutory functions, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the Constitution, the Terms of Reference and any applicable regulations and directions.
- 5.8 The committees, sub-committees, and joint-committees established by the Board are:

Audit and Risk Committee

As laid down in the Constitution and the 2006 Act, a committee of Non-Executive Directors will be established and constituted. Further details of the Audit Committee's remit can be found in Standing Financial Instructions 2.1 and the Audit Committee's Terms of Reference.

Remuneration and Nominations Committee

As laid down in the Constitution and the 2006 Act, a committee of Non-Executive Directors will be established to decide this remuneration and allowances of, and other terms and conditions of the Executive Directors. Refer to SFI 8.1 for further details of their remit.

Quality Assurance Committee

A committee of Non-Executive and Executive Directors established to provide assurance to the Board on the quality of care and treatment in all services provided by the Trust. Further details of the role and responsibility of the Quality Assurance Committee can be found in the Quality Assurance Committee Terms of Reference.

Finance and Performance Committee

A committee of Non-Executive and Executive Directors established to maintain an overview of the Trust's financial processes, ensuring finances are managed within the allocated resources to deliver an efficient and effective service. Further details of the role and responsibility of the Finance and Investment Committee can be found in the Finance and Investment Committee Terms of Reference.

Workforce & Organisation Development Committee

A committee of Non-Executive Directors and Executive Directors established to provide assurance to the Board concerning all aspects of strategic and operational workforce and organisational development relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients and staff. Further details of the role and responsibility of the Workforce and Organisation Committee can be found in the Workforce and Organisation Committee Terms of Reference.

- 5.9 The Board have delegated authority to the Executive Directors Group (EDG) to ratify all policies and policy amendments with the exception of those policies which have strategic content. Policies with strategic content will be referred by EDG to the Board for final approval. Details of the delegated powers are included in the Scheme of Reservation and Delegation.

6 DECLARATIONS OF INTERESTS AND REGISTER OF INTERESTS

- 6.1 **Declaration of Interests** - The Constitution, 2006 Act, the NHS Foundation Trust Code of Governance and "Managing Conflicts of Interest in the NHS: Guidance for staff and organisations" (Gateway Ref. 06419, published February 2017) requires Board Directors to declare interests which are relevant and material to the NHS board of which they are a director. All existing Board Directors should declare such interests. Any Board Directors appointed subsequently should do so on appointment.
- 6.2 Interests which should be regarded as "relevant and material" are:
- 6.2.1 directorships, including non-executive directorships held in private companies or public limited companies (with the exception of those of dormant companies);

- 6.2.2 ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
- 6.2.3 majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS;
- a) a position of trust in a charity or voluntary organisation in the field of health and social care;
 - b) any connection with a voluntary or other organisation contracting for NHS services;
 - c) any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust including but not limited to , lenders or banks;
 - d) interests in pooled funds that are under separate management;
 - e) research funding/grants that may be received by an individual or their department;
 - f) any other commercial interest in the decision before the meeting.

Interests can fall into the following categories:

- Financial interests;
- Non-financial professional interests;
- Non-financial personal interests; or
- Indirect interests

- 6.2.4 At the time Directors' interests are declared; they should be recorded in the Board minutes. Any changes in interests should be declared at the next Board meeting following the change occurring.
- 6.2.5 Directors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Board's Annual Report. The information should be kept up to date for inclusion in succeeding annual reports.
- 6.2.6 During the course of a Board meeting, if a conflict of interest is established, the Director concerned should withdraw from the meeting and play no part in the relevant discussion or decision.
- 6.2.7 The interest of Directors' spouses, if living together, in contracts should be declared. Therefore, the interests of Board Directors' spouses and cohabiting partners should also be regarded as relevant.
- 6.2.8 If Board Directors have any doubt about the relevance of an interest, this should be discussed with the Chair. Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.
- 6.3 **Register of Interests** - The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board Directors. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by both Executive and Non-Executive Directors, as defined in Standing Order 6.2.
- 6.4 These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding twelve months will be incorporated.

- 6.5 The Register will be available to the public in accordance with paragraph 31 and 32 of the Constitution and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.
- 6.6 All senior managers and clinicians have a duty to ensure that declarations of interests are made which could materially affect the outcome of decisions made by them. Where in doubt, all senior managers and clinicians should contact their respective Directors for clarification. The staff register of interests will be kept up to date by means of an annual review.
- 6.7 The SHSC Declaration of Interests and Standards of Business Conduct Policy outlines in more detail the procedures to be followed in this area.

7 DISABILITY OF CHAIR AND DIRECTORS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST

- 7.1 Subject to the following provisions of this Standing Order, if the Chair or a Director has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust at which the contract or other matter is the subject of consideration, he shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- 7.2 The Board may exclude the Chair or a Director of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he has a pecuniary interest, is under consideration.
- 7.3 Any remuneration, compensation or allowances payable to the Chair or a Director by virtue of the 2006 Act shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- 7.4 For the purpose of this Standing Order the Chair or a Director shall be treated, subject to SO 7.5, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:
 - 7.4.1 he, or a nominee of his, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration; or
 - 7.4.2 he is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration;
 - 7.4.3 and in the case of married persons living together and co-habiting partners the interest of one spouse or co-habiting partner shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.
- 7.5 The Chair or a Director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:
 - 7.5.1 of his membership of a company or other body, if he has no beneficial interest in any securities of that company or other body;
 - 7.5.2 of an interest in any company, body or person with which he is connected as mentioned in SO 7.4 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a Director in the consideration or discussion of or in voting on, any question with respect to that contract or matter.
- 7.6 Where the Chair or a Director has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, and the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company body, whichever is the less, and if the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class, this Standing Order shall not prohibit him/her from taking part in the consideration or discussion of the contract or other matter or from voting on any question with respect to it, without prejudice however to his/her duty to disclose his/her interest.

- 7.7 The Standing Order applies to a committee or sub-committee and to a joint committee as it applies to the Trust and applies to a director of any such committee or sub-committee (whether or not he is also a Director of the Trust) as it applies to a Director of the Trust.

8 STANDARDS OF BUSINESS CONDUCT POLICY

- 8.1 Staff should have due regard to the national guidance contained in HSG 1993/5 “Standards of Business Conduct for NHS Staff” (contained in Appendix B), the Bribery Act and “Managing Conflicts of Interest in the NHS: Guidance for staff and organisations” (Gateway Ref. 06419, published February 2017). This section of Standing Orders should be read in conjunction with these documents. Additionally staff should comply with the Trust’s Declaration of Interest and Standards of Business Conduct Policy.
- 8.2 **Interest of Officers in Contracts** - If it comes to the knowledge of an Officer of the Trust that a contract in which he has any pecuniary interest not being a contract to which he is himself a party, has been, or is proposed to be, entered into by the Trust he shall, at once, give notice in writing to the Chief Executive of the fact that he is interested therein. In the case of persons living together as partners, the interest of one partner shall, if known to the other, be deemed to be also the interest of that partner.
- 8.3 An Officer must also declare to the Chief Executive any other employment or business or other relationship of his, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- 8.4 The Trust requires interests, employment or relationships declared, to be entered in a register of interests of staff.
- 8.5 **Canvassing of, and Recommendations by, Directors in Relation to Appointments** - Canvassing of Directors of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- 8.6 A Director of the Board shall not solicit for any person any appointment under the Trust or recommend any person for such appointment: but this paragraph of this Standing Order shall not preclude a Director from giving written testimonial of a candidate’s ability, experience or character for submission to the Trust.
- 8.7 Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.
- 8.8 **Relatives of Directors or Officers** - Candidates for any staff appointment under the Trust shall, when making application, disclose in writing to the Trust whether they are related to any Director or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.
- 8.9 The Chair and every Director and Officer of the Trust shall disclose to the Chief Executive any relationship between himself and a candidate of whose candidature that Director or Officer is aware. It shall be the duty of the Chief Executive to report to the Board any such disclosure made.
- 8.10 On appointment, Directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Board whether they are related to any other Director or holder of any office in the Trust.
- 8.11 Where the relationship to a Director of the Trust is disclosed, the Standing Order headed ‘Disability of Chair and Directors in proceedings on account of pecuniary interest’ (SO 7) shall apply.

9 TENDERING AND CONTRACT PROCEDURE

- 9.1 **Duty to comply with Standing Orders** - The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders (except where Standing Order 3.32 is applied).

- 9.2 **EU Directives Governing Public Procurement** - the Trust will comply with, and have due regard to, EU Directives (and associated Regulations) governing public procurements.
- 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 "Supporting 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".
- 9.4 **Formal Competitive Tendering** - The Trust shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles and for the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DoHSC); for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and for disposals.
- 9.5 Where the Trust elects to invite tenders for the supply of healthcare these Standing Orders shall apply as far as they are applicable to the tendering procedure.
- 9.6 Formal tendering procedures may be waived by Officers to whom powers have been delegated by the Chief Executive without reference to the Chief Executive (except in 9.6.3 to 9.6.6 below) where:
- 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);
 - 9.6.2 where the supply is proposed under special arrangements negotiated by Crown Commercial Services (CCS) or other recognised collaborative procurement organisations (e.g. Supply Chain Coordination Limited (SCCL), North of England Commercial Procurement Collaborative) such arrangements must be complied with where overall benefit to the Trust can be demonstrated;
 - 9.6.3 the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender;
 - 9.6.4 specialist expertise is required and is available from only one source;
 - 9.6.5 the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
 - 9.6.6 there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering.
 - 9.6.7 where provided for in the Capital regime, investment and property business case approval guidance for NHS providers ,
- 9.7 The limited application of the single tender rules should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.
- 9.8 Where it is decided that competitive tendering is not applicable and should be waived by virtue of 9.6.3 to 9.6.6 above the fact of the waiver and the reasons should be documented and reported by the Chief Executive to the Trust in a formal meeting. Such reports shall be received by the Audit and Risk Committee.
- 9.9 Except where Standing Order 9.6, or a requirement under Standing Order 9.2, applies, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three

firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

- 9.10 Subject to EU directives governing EU procurements, the Trust shall ensure that the firms/individuals invited to tender (and, where appropriate, quote) are on applicable and appropriate public sector contract frameworks. Where in the opinion of the Director of Finance it is desirable to seek tenders from firms not on public sector contract frameworks, the reason shall be recorded in writing to the Chief Executive for approval (see Appendix A: Tendering Procedure).
- 9.11 Tendering procedures are set out in Appendix A to these Standing Orders. In addition, the Board shall, when entering into contracts, comply with and / or have regard to:
- 9.11.1 the Trust's Standing Orders, Scheme of Delegation, Standing Financial Instructions and Terms of Authorisation;
 - 9.11.2 EU Directives and other statutory provisions;
 - 9.11.3 any relevant directions including the Capital regime, investment and property business case approval guidance for NHS providers, The efficient management of healthcare estates and facilities (HBN 00-08) and guidance on the Procurement and Management of Consultants;
 - 9.11.4 such of the NHS Standard Contract Conditions as are applicable (as amended to take into account the Trust's Foundation Trust status);
 - 9.11.5 contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;
 - 9.11.6 where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited;
 - 9.11.7 in all contracts made by the Trust, the Board shall endeavor to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
- 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)
- 9.13 Where quotations are required under Standing Order 9.12 they should be obtained from at least three firms/individuals as per Annex A based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- 9.14 Quotations should be in writing, unless the Chief Executive or his nominated Officer determine that it is impractical to do so, in which case quotations may be obtained by telephone. Confirmation of telephone quotation should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- 9.15 All quotations should be treated as confidential and should be retained for inspection.
- 9.16 The Chief Executive or his nominated Officer should evaluate the quotations and select the one which gives the best value for money. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen should be in a permanent record.
- 9.17 Non-competitive quotations in writing may be obtained for the following purposes:
- 9.17.1 the supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or his nominated Officer, possible or desirable to obtain competitive quotations;

- 9.17.2 the goods/services are required urgently.
- 9.18 Authorisation of Tenders and Competitive Quotations:
- Providing all the conditions and circumstances set out in the Standing Financial 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)
- 9.19 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.
- 9.20 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering (Standing Order 11).
- 9.21 **Private Finance** – Where the Trust proposes to market test for PFI (Private Finance Initiative Funding) when considering a capital procurement the following should apply:
- 9.21.1 The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector. Reports shall be received by the Audit and Risk Committee.
- 9.21.2 The Trust will give full Board consideration to the scheme, which must be specifically agreed by the Board.
- 9.21.3 The Board will consider the Independent Regulator's guidance on "Roles and responsibilities in the approval of NHS foundation trust PFI schemes", the Independent Regulator's Compliance Framework, and any other Department of Health and/or HM Treasury requirements.
- 9.22 **Contracts with Commissioners** – The Chief Executive, as Accounting Officer is responsible for ensuring the Trust enters into suitable legally binding contracts with service commissioners for the provision of services. Contracts with commissioners are legally binding and appropriate legal advice identifying the Trust's liabilities within the terms of the contract should be considered.
- 9.23 The Board will approve standard terms and conditions for legally binding contracts on the basis of which the Trust will provide healthcare and other services.
- 9.24 Cancellation of Contracts except where specific provision is made in model Forms of Contracts or standard Schedules of Conditions approved for use within the NHS (as amended to take into account the Trust's Foundation Trusts status) and in accordance with Standing Orders 9.2 and 9.3, there shall be inserted in every written contract a clause empowering the Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the Trust, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Trust the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889 and 1916 an other appropriate legislation.
- 9.25 **Determination of Contracts for Failure to Deliver Goods or Material** – There shall be inserted in every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Trust may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods, or material of similar

description to make good (a) such default, or (b) in the event of the contract being wholly determined the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

9.26 **Contracts involving Funds Held on Trust** – shall do so individually to a specific named fund. Such contracts involving charitable funds shall comply with the requirements of the Charities Act.

9.27 **Personnel and Agency or Temporary Staff Contracts** – The Chief Executive shall nominate officers with delegated authority to enter into contracts for the employment of other officers, to authorise re-grading of staff and to enter into contracts for the employment of agency staff or temporary staff.

10 DISPOSALS

10.1 Competitive tendering or quotation procedures shall not apply to the disposal of:

10.1.1 any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated Officer;

10.1.2 obsolete or condemned articles and stores, which may be disposed of in accordance with the disposal policy of the Trust;

10.1.3 items to be disposed of with an estimated sale value of less than £500, this figure to be reviewed annually;

10.1.4 items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;

10.1.5 land or buildings concerning which DoHSC guidance has been issued but subject to compliance with such guidance.

11 IN-HOUSE SERVICES

11.1 In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:

11.1.1 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering.

11.1.2 Specification group, comprising the Chief Executive or nominated Officer/s and specialist.

11.1.3 In-house team, comprising a nominee of the Chief Executive and technical support.

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.

11.2 All groups should work independently of each other and individual Officers may be a Director of more than one group but no Director of the in-house tender group may participate in the evaluation of tenders.

11.3 The evaluation team shall make recommendations to the Board.

11.4 The Chief Executive shall nominate an Officer to oversee and manage the contract on behalf of the Trust.

12 CUSTODY OF SEAL AND SEALING OF DOCUMENTS

- 12.1 **Custody of Seal** - The Common Seal of the Trust shall be kept by the Chief Executive or designated Trust Custodian of the Seal in a secure place.
- 12.2 **Sealing of Documents** - The Seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board or of a committee, thereof or where the Board has delegated its powers.
- 12.3 Before any building, engineering, property or capital document is sealed it must be approved and signed by the Director of Finance (or an Officer nominated by him/her) and authorised and countersigned by the Chief Executive (or an Officer nominated by him/her who shall not be within the originating directorate).
- 12.4 **Register of Sealing** - An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and those who attested the seal. A report of all sealings shall be made to the Board at least quarterly. (The report shall contain details of the seal number, the description of the document and date of sealing).

13 SIGNATURE OF DOCUMENTS

- 13.1 Where the signature of any document will be a necessary step in legal proceedings involving the Trust, it shall be signed by the Chief Executive, unless any enactment otherwise requires or authorises, or the Board shall have given the necessary authority to some other person for the purpose of such proceedings.
- 13.2 The Chief Executive or nominated Officers shall be authorised, by resolution of the Board, to sign on behalf of the Trust any agreement or other document not requested to be executed as a deed, the subject matter of which has been approved by the Board or any committee, sub-committee with delegated authority.

14 MISCELLANEOUS

- 14.1 **Standing Orders to be given to Directors and Officers** - It is the duty of the Chief Executive to ensure that existing Directors and Officers and all new appointees are notified of and understand their responsibilities within Standing Orders and Standing Financial Instructions. Updated copies shall be issued to staff designated by the Chief Executive. New designated Officers shall be informed in writing and shall receive copies where appropriate in Standing Orders.
- 14.2 **Documents having the standing of Standing Orders** - Standing Financial Instructions and Reservation of Powers to the Board and Delegation of Powers shall have effect as if incorporated into Standing Orders.
- 14.3 **Review of Standing Orders** - Standing Orders shall be reviewed annually by the Board. The requirement for review extends to all documents having the effect as if incorporated in Standing Orders.
- 14.4 **Contracts to purchase from a voluntary organisation or a local authority** - The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 256 of the 2006 Act. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health-related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under Section 256 of the 2006 Act, and shall comply with procedures laid down by the Director of Finance which shall be in accordance with this Act.

APPENDIX A

1. INVITATION TO TENDER

- 1.1 All invitations to tender on a formal competitive basis must be submitted via the In-Tend online portal.
- 1.2 Every tender for goods, materials, manufactured articles supplied as part of a works contract and services shall embody such of the main contract conditions as may be appropriate in accordance with the contract forms described in Section 1.3 and 1.4 below.
- 1.3 Every tender for building and engineering works, except for maintenance work only where Estate code guidance should be followed, shall embody or be in the terms of the current edition of the appropriate Joint Contracts Tribunal (JCT) or Department of the Environment (GC/Wks) standard forms of contract amended to comply with Concode. When the content of the works is primarily engineering, tenders shall embody or be in the terms of the General Conditions of Contract recommended by the Institutions of Mechanical Engineers and the Association of Consulting Engineers (Form A) or, in the case of civil engineering work, the General Conditions of Contract recommended by the Institution of Civil Engineers. The standard documents should be amended to comply with Concode and, in minor respects, to cover special features of individual projects. Tendering based on other forms of contract may be used only after prior consultation with the DoHSC.
- 1.4 Every tender for goods, materials, services (including consultancy services) or disposals shall embody such of the NHS Standard Contract Conditions as are applicable. Every tenderer must have given or give a written undertaking not to engage in collusive tendering or other restrictive practice.

2. RECEIPT, SAFE CUSTODY AND RECORD OF FORMAL TENDERS

- 2.1 Formal competitive tenders shall be addressed to the Chief Executive.
- 2.2 The date and time of receipt of each tender shall be endorsed on the unopened tender envelope/package.
- 2.3 The Chief Executive shall designate an Officer or Officers, not from the originating department, to receive tenders on his behalf and to be responsible for their endorsement and safe custody until the time appointed for their opening, and for the records maintained in accordance with Section 3 (Opening Formal Tenders).
- 2.4 Electronic Tenders – An auditable date/time stamp of all actions is automatically created through the agreed e-tendering service. This audit trail is available for review in real-time by all officers with appropriate access rights and cannot be edited.

3. OPENING FORMAL TENDERS

- 3.1 As soon as practicable after the date and time stated as being the latest time for the receipt of tenders they shall be opened in the presence of two senior Officers designated by the Chief Executive and not from the originating department.
- 3.2 Every tender received shall be stamped with the date of opening and initialled by two of those present at the opening.
- 3.3 A permanent record shall be maintained to show for each set of competitive tender invitations despatched:
 - 3.3.1 The names of firms/individuals invited;
 - 3.3.2 The names of and the number of firms/individuals from which tenders have been received;
 - 3.3.3 The total price(s) tendered;
 - 3.3.4 Closing date and time;

- 3.3.5 Date and time of opening;
- 3.3.6 And the persons present at the opening shall sign the record.
- 3.4 Except as in Section 3.5 below, a record shall be maintained of all price alterations on tenders, i.e. where a price has apparently been altered, and the final price shown shall be recorded. Every price alteration appearing on a tender and the record should be initialled by two of those present at the opening.
- 3.5 A report shall be made in the record if, on any one tender, price alterations are so numerous as to render the procedure Section 3.4 unreasonable.
- 3.6 Electronic Tenders – The Chief Executive will designate and agree a list of officers who will be able to access the electronic tenders and release them once the time and date for opening has passed.

An auditable log of actions, which may not be edited, is created including, but not limited to:

Procurement actions:

- Time/date stamp of 'publication' of tender by buyer.
- Time/date stamp of any amendments to a 'published' tender (eg: if any buyer tender document attachments are added/ amended during the process).
- Time/date stamp of any buyer messages communicated via the integrated messaging area (including the content, which suppliers received the message, when it was opened et/c). All messages are delivered in a "blind copy" format to ensure suppliers cannot view who else has received a message.
- Time/date stamp of opening information including (buyer name by time/date stamp by individual response envelope).
- Time/date stamp of confirmation of buyer acceptance of supplier bids
- Time/date stamp of confirmation of buyer acceptance of supplier evaluation scores
- Time/date stamp of confirmation of buyer award decisions

Supplier actions:

- Time/date stamp of initial registration within the e-Tendering service
- Time/date stamp by supplier of when the specific tender was first accessed
- Time/date stamp of any supplier messages communicated via the integrated messaging area (including the content, which buyer received the message, when it was opened et/c).
- Time/date stamp of any individual components of a 'published' tender accessed (eg: buyer tender document attachments).
- Time/date stamp of official 'submission' of tender response

4. ADMISSIBILITY AND ACCEPTANCE OF FORMAL TENDERS

- 4.1 In considering which tender to accept, if any, the designated Officers shall have regard to whether value for money will be obtained by the Trust and whether the number of tenders received provides adequate competition. In cases of doubt they shall consult the Chief Executive.
- 4.2 Tenders received after the due time and date may be considered only if the Chief Executive or nominated Officer decides that there are exceptional circumstances, e.g. where significant financial, technical or delivery advantages would accrue, and is satisfied that there is no reason to doubt the bona fides of the tenders concerned. The Chief Executive or nominated Officer shall decide whether such tenders are admissible and whether re-tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition. If the tender is accepted the late arrival of the tender should be reported to the Board at its next meeting.
- 4.3 Technically late tenders (i.e. those despatched in good time but delayed through no fault of the tenderer) may at the discretion of the Chief Executive be regarded as having arrived in due time.

- 4.4 Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders under Section 4.2.
- 4.5 Where examination of tenders reveals errors which would affect the tender figure, the tenderer is to be given details of such errors and afforded the opportunity of confirming or withdrawing his offer.
- 4.6 Necessary discussions with a tenderer of the contents of his tender, in order to elucidate technical points etc, before the award of a contract, need not disqualify the tender.
- 4.7 While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall remain strictly confidential and kept in safekeeping by an Officer designated by the Chief Executive.
- 4.8 Where only one tender/quotation is received the Chief Executive shall, as far as practicable, ensure that the price to be paid is fair and reasonable.
- 4.9 A tender other than the lowest (if payment is to be made by the Trust), or other than the highest (if payment is to be received by the Trust) shall not be accepted unless for good and sufficient reason the Board decides otherwise and record that decision in their minutes and in the record referred to in 3.3 above.
- 4.10 Where the form of contract includes a fluctuation clause all applications for price variations must be submitted in writing by the tenderer and shall be approved by the Chief Executive or nominated Officer.
- 4.11 All Tenders should be treated as confidential and should be retained for inspection.

5. LIST OF APPROVED FIRMS

- 5.1 In accordance with Standing Order 9.10 the Trust shall compile, or procure from another health body or organisation, lists of approved firms and individuals from whom tenders and quotations may be invited. The Finance Director shall keep and maintain these under review subject always to EU directives governing EU procurement. Where compiled by the Trust, the lists shall be selected from all firms who have applied for permission to tender or quote provided:
 - 5.1.1 In the case of building, engineering and maintenance works, the Chief Executive is satisfied on their capacity, conditions of labour, etc., and that the Director of Finance is satisfied that their financial standing is adequate.
 - 5.1.2 In the case of the supply of goods, materials and related services, and consultancy services the Chief Executive or the nominated Officer is satisfied as to their technical competence etc., and that the Director of Finance is satisfied that their financial standing is adequate.
 - 5.1.3 In the case of the provision of healthcare services to the Trust by a private sector provider, the Director of Finance is satisfied as to their financial standing and the Medical Director (or nominated representative) is satisfied as to their technical/medical competence.
- 5.2 The Chief Executive shall arrange for advertisements to be issued as may be necessary, and not less frequently than every third year, in trade journals and national newspapers inviting applications from firms for inclusion in the prescribed lists.
- 5.3 If in the opinion of the Chief Executive and the Director of Finance it is impractical to use a list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), the Chief Executive should ensure that appropriate checks are carried out as to the technical and financial capability of firms invited to tender or quote.

A permanent record should be made of the reasons for inviting a tender or quote other than from an approved list.

6. **Authorisation of Tenders and Competitive Quotations:**

Providing all the conditions and circumstances set out in the Standing Financial 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)

- Designated Budget Holders up to **£4,999**;
- Authorised Budget Holders / Managers up to **£9,999**;
- Head of Contracting / Procurement up to **£9,999** (as per Scheme of Delegation);
- Deputy Director of Finance up to **£99,999**;
- Chief Executive, Deputy Chief Executive and Director of Finance (with Business Planning Group approval) up to **£249,999**;
- Two from Chief Executive, Deputy Chief Executive or Director of Finance (with Executive Director Group approval) up to **£1million**;
- Two from Chief Executive, Deputy Chief Executive or Director of Finance (with Finance and Performance Committee approval) up to **£2million**;
- Two from Chief Executive, Deputy Chief Executive or Director of Finance (with Trust Board approval) over **£2million**.

These levels of authorisation may be varied or changed and need to be read in conjunction with the Trust Board's Scheme of Delegation.

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.

SECTION B - SCHEME OF RESERVATION AND DELEGATION OF POWERS

INTRODUCTION

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions by Delegation (SO 4) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 5 or by an Officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit".

The Code of Accountability also requires that there should be a formal schedule of matters specifically reserved to the Trust.

The purpose of this section is to outline how those powers are reserved to the Board - generally matters for which it is held accountable to the Secretary of State, while at the same time delegating to the appropriate level the detailed application of Trust policies and procedures. However, the Board remains accountable for all of its functions; even those delegated to the Chair, individual directors or officers and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

A. Role of the Chief Executive

All powers of the Trust which have not been retained as reserved by the Board or delegated to an executive committee or sub-committee shall be exercised on behalf of the Board by the Chief Executive. The Chief Executive shall prepare a Scheme of Delegation identifying which functions he/she shall perform personally and which functions have been delegated to other directors and officers.

All powers delegated by the Chief Executive can be re-assumed by him/her should the need arise. As Accountable Officer the Chief Executive is accountable to the Accounting Officer of the Department of Health and Social Care for the funds entrusted to the Trust.

B. Caution over the Use of Delegated Powers

Powers are delegated to directors and officers on the understanding that they would not exercise delegated powers in a matter which in their judgement was likely to be a cause for public concern.

C. Directors' Ability to Delegate their own Delegated Powers

The Scheme of Delegation shows only the "top level" of delegation within the Trust. The Scheme is to be used in conjunction with the system of budgetary control and other established procedures within the Trust.

D. Absence of Directors or Officer to Whom Powers have been Delegated

In the absence of a director or officer to whom powers have been delegated those powers shall be exercised by that director or officer's superior unless alternative arrangements have been approved by the Board. If the Chief Executive and/or Deputy Chief Executive is absent powers delegated to him/her may be exercised by the Chair after taking appropriate advice from the Director of Corporate Governance.

SCHEME OF DELEGATION:

The following tables outline:

1. Reservation of Powers to the Board
2. Decisions/Duties Delegated by the Board to Committees
3. Scheme of Delegation Derived from the NHS Foundation Trust Accounting Officer Memorandum
4. Scheme of Delegation Derived from the Mental Health Act 1983 (and subsequent amendments)
5. Scheme of Delegation from the Standing Orders
6. Scheme of Delegation from the Standing Financial Instructions
7. Detailed Scheme of Delegation by area / type to the lowest level of delegation.

1. RESERVATION OF POWERS TO THE BOARD

The Code of Accountability which has been adopted by the Trust requires the Board to determine those matters on which decisions are reserved unto it. These reserved matters are set out below:

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	General Enabling Provision The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers under the 2006 Act, its Constitution and its Terms of Authorisation (the "Regulatory Framework").

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>Regulations and Control</p> <ol style="list-style-type: none"> 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Ratify any urgent decisions taken by the Chair and Chief Executive in accordance with SO 4.3. 5. Approve a scheme of delegation of powers from the Board to committees. 6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 7. Require and receive the declaration of officers' interests that may conflict with those of the Trust. 8. Approve arrangements for dealing with complaints. 9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 10. Receive reports from committees including those that the Trust is required by the Regulatory Framework and/or guidance issued by the Independent Regulator to establish and to take appropriate action on. 11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property. 15. Authorise use of the seal. 16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 4.10. 17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.
NA	THE BOARD	<p>Appointments/Dismissal</p> <ol style="list-style-type: none"> 1. Subject to the Regulatory Framework, appoint and dismiss committees (and individual members) that are directly accountable to the Board. 2. Receive decisions of the Remuneration & Nominations Committee appointed in accordance with the Regulatory Framework to appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.6). 3. Confirm appointment of members of any committee of the Trust as representatives on outside bodies. 4. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders). 5. Approve proposals of the Remuneration & Nominations Committee regarding senior employees and those of the Chief Executive for staff not covered by the Remuneration & Nominations Committee.

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>Strategy, Plans and Budgets</p> <ol style="list-style-type: none"> 1. Define the strategic aims and objectives of the Trust. 2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by Independent Regulator. 3. Approve the Trust's policies and procedures for the management of risk. 4. Approve Outline and Final Business Cases for Capital Investment. 5. Approve budgets. 6. Approve annually Trust's proposed organisational development proposals. 7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 8. Approve PFI proposals. 9. Approve the opening of bank accounts. 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). 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. 12. Approve individual compensation payments proposals for HM Treasury's referral and authorisation. 13. Approve proposals for action on litigation against or on behalf of the Trust. 14. Review use of NHS Resolution risk pooling schemes (LPST/CNST/RPST).
	THE BOARD	<p>Policy Determination</p> <ol style="list-style-type: none"> 1. The Board have delegated authority to the Executive Directors Group (EDG) to ratify all policies and policy amendments with the exception of those policies which have strategic content. Policies with strategic content will be referred by EDG to the Board for final approval. These policies so adopted will be listed and kept on the Trust's web site for reference (SO 5.9).
	THE BOARD	<p>Audit</p> <ol style="list-style-type: none"> 1. Approve the appointment (and where necessary dismissal) of External Auditors as appointed by the Council of Governors and advise the Regulator on the appointment. Approval of external auditors' arrangements for the separate submission of reports to the Audit and Risk Committee meetings who will take appropriate action. 2. Receive of the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit and Risk Committee. 3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit and Risk Committee.

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>Annual Reports and Accounts</p> <ol style="list-style-type: none"> 1. Ensure preparation and approval of the Trust's annual report and annual accounts (following receipt by the Audit and Risk Committee). 2. Ensure preparation and approval of the Trust's Annual Quality Account (following receipt by the Quality Assurance Committee). 3. With regard to the views of the Council of Governors, prepare the information as to the Trust's forward planning in respect of each financial year to be given to the Independent Regulator in accordance with the SFIs and the Constitution. 4. Present to the Council of Governors at a general meeting, the annual accounts, any report of the auditor on them and the annual report.
NA	THE BOARD	<p>Monitoring</p> <ol style="list-style-type: none"> 1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated. 2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from Directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Independent Regulator and the Charity Commission shall be reported, at least in summary, to the Board. 3. Receive reports from DoF on financial performance against budget or local delivery plans. 4. Receive reports from CE on actual and forecast income from legally binding contracts.
NA	THE BOARD	<p>Direct Operational Decisions</p> <ol style="list-style-type: none"> 1. Acquisition, disposal or change of use of land and/or buildings. 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) 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. 4. Approve Outline and Final Business Cases for Capital Investment over £2,000,000 5. Approval of individual compensation payments over £50,000 prior to submission to NHS Improvement / HM Treasury for authorisation. 6. To agree action on significant litigation against or on behalf of the Trust.

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>Financial and Performance Reporting Arrangements</p> <ol style="list-style-type: none"> 1. Continuous appraisal of the affairs of the Trust by means of the receipt of reports as it sees fit from directors, committees, assistant and clinical directors and officers of the Trust as set out in management policy statements. All monitoring returns required by the Independent Regulator and the Charity Commission shall be reported, at least in summary, to the Trust. 2. Approval of the opening or closing of any bank or investment account. 3. Receipt and approval of a schedule of NHS contracts signed in accordance with arrangements approved by the Chief Executive 4. Consideration and approval of the Trust's Annual Report including the annual accounts. 5. Receipt and approval of the Annual Report(s) for funds held on trust.

2. DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

The Board determines that certain of its powers shall be exercised by Standing Committees. The composition and terms of reference of such committees shall be that determined by the Board from time to time taking into account where necessary the requirements of the Secretary of State and or the Charity Commissioners (including the need to appoint an Audit and Risk Committee and a Remuneration and Nomination Committee). The Board shall determine the reporting requirements in respect of these committees. In accordance with SO 4.5 committees may not delegate executive powers to sub-committees unless expressly authorised by the Board.

Delegated duties to the Committees of the Board are as follows:

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 2.1	AUDIT AND RISK COMMITTEE	[See section 1.4 of the Corporate Governance Framework Manual] As laid down in the Constitution and the 2006 Act, a committee of Non-Executive Directors will be established and constituted. The Committee shall not have executive powers in addition to those delegated in its Terms of Reference. Refer to SFI 2.1 for an overview of responsibilities.
SFI 8.1.	REMUNERATION & NOMINATIONS COMMITTEE	[See section 1.5 of the Corporate Governance Framework Manual] As laid down in the Constitution and the 2006 Act, a committee of Non-Executive Directors will be established to decide this remuneration and allowances of, and other terms and conditions of the Executive Directors. The Committee shall not have executive powers in addition to those delegated in its Terms of Reference. Refer to SFI 8.1 for an overview of responsibilities.
S.O. 5.8	QUALITY ASSURANCE COMMITTEE	A committee of Non-Executive and Executive Directors established to provide assurance to the Board on the quality of care and treatment in all services provided by the Trust. The definition of 'Quality' includes clinical effectiveness and outcomes, safety, service user and carer experience, equality and inclusion. The Committee shall not have executive powers in addition to those delegated in its Terms of Reference
S.O 5.8	FINANCE AND PERFORMANCE COMMITTEE	A committee of Non-Executive and Executive Directors will be established to maintain the overview of the Trust's financial processes; ensuring finances are managed within the allocated resources to deliver an efficient and effective service. The Committee shall not have executive powers in addition to those delegated in its Terms of Reference
S.O 5.8	WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE	A committee of Non-Executive Directors and Executive Directors established to provide assurance to the Board that the human resource structures, systems and processes are in place and functioning to support employees in the provision and delivery of high quality, safe patient care. The Committee shall not have executive powers in addition to those delegated in its Terms of Reference

Delegated duties to the Executive Directors Group are:

DECISIONS/DUTIES DELEGATED BY THE BOARD

The Board have delegated authority to the Executive Directors Group (EDG) to ratify all policies and policy amendments with the exception of those policies which have strategic content. Policies with strategic content will be referred by EDG to the Board for final approval. These policies so adopted will be listed and kept on the Trust's web site for reference (SO 5.9).

3. SCHEME OF DELEGATION DERIVED FROM THE NHS FOUNDATION TRUST ACCOUNTING OFFICER MEMORANDUM

The National Health Service Act 2006 designates the chief executive of an NHS foundation trust as the accounting officer. The Act specifies that the accounting officer has a duty to prepare the accounts in accordance with the Act. An accounting officer has the personal duty of signing the NHS foundation trust's accounts. By virtue of this duty, the accounting officer has the further duty of being a witness before the Public Accounts Committee (PAC) to deal with questions arising from those accounts or, more commonly, from reports made to Parliament by the Comptroller and Auditor General (C&AG) under the National Audit Act 1983.

Associated with these duties are the further responsibilities that are the subject of the **Accounting Officer memorandum**. It is incumbent on the accounting officer to combine these duties with their duties to the board of directors of the NHS foundation trust. It is an important principle that, regardless of the source of the funding, accounting officers are responsible to Parliament for the resources under their control.

DELEGATED TO	DUTIES DELEGATED
CHIEF EXECUTIVE (CE)	<p>Accountable through NHS FT Accounting Officer to Parliament for stewardship of Trust resources. NHS Foundation Trust Accounting Officer memorandum issued by NHS Improvement (the Independent Regulator) is the reference document. Para 8-11 extracted below:</p> <p>“ 8. The essence of the accounting officer's role is a personal responsibility for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> the propriety and regularity of the public finances for which he or she is answerable <input type="checkbox"/> the keeping of proper accounts <input type="checkbox"/> prudent and economical administration in line with the principles set out in Managing public money¹ <input type="checkbox"/> the avoidance of waste and extravagance <input type="checkbox"/> the efficient and effective use of all the resources in their charge. <p>9. As accounting officer you must:</p> <ul style="list-style-type: none"> <input type="checkbox"/> personally sign the accounts and, in doing, so accept personal responsibility for ensuring their proper form and content as prescribed by NHS Improvement in accordance with the Act <input type="checkbox"/> comply with the financial requirements of the NHS provider licence <input type="checkbox"/> ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management, as well as in the form prescribed for published accounts (so that they disclose with reasonable accuracy, at any time, the financial position of the NHS foundation trust)

DELEGATED TO	DUTIES DELEGATED
	<ul style="list-style-type: none"> <input type="checkbox"/> ensure that the resources for which you are responsible as accounting officer are properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official <input type="checkbox"/> ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment, are controlled and safeguarded with similar care, and with checks as appropriate <input type="checkbox"/> ensure that any protected property (or interest in) is not disposed of without the consent of NHS Improvement <input type="checkbox"/> ensure that conflicts of interest are avoided, whether in the proceedings of the board of directors, or council of governors or in the actions or advice of the NHS foundation trust's staff, including yourself <input type="checkbox"/> ensure that, in the consideration of policy proposals relating to the expenditure for which you are responsible as accounting officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and brought to the attention of the board of directors. <p>10. An accounting officer should ensure that effective management systems appropriate for the achievement of the NHS foundation trust's objectives, including financial monitoring and control systems, have been put in place. An accounting officer should also ensure that managers at all levels:</p> <ul style="list-style-type: none"> <input type="checkbox"/> have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives <input type="checkbox"/> are assigned well-defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations or individuals outside the NHS foundation trust), including a critical scrutiny of output and value for money <input type="checkbox"/> have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively. <p>11. Accounting officers must make sure that their arrangements for delegation promote good management and that they are supported by the necessary staff with an appropriate balance of skills. Arrangements for internal audit should accord with the objectives, standards and practices set out in the Public Sector Internal Audit Standards</p> <p>12. An accounting officer has particular responsibility to see that appropriate advice is tendered to the board of directors and the council of governors on all matters of financial propriety and regularity and, more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness. Accounting officers will need to determine how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to their own duty as accounting officer to justify, to the Public Accounts Committee (PAC), transactions for which they are accountable.</p>

DELEGATED TO	DUTIES DELEGATED
<p>CHIEF EXECUTIVE (CE)</p>	<p>Per the NHS Foundation Trust Accounting Officer memorandum issued by NHS Improvement (the Independent Regulator) the Board has responsibilities as follows: para. 12- extracted below:</p> <p>“ 13. The board of directors and the council of governors of an NHS foundation trust should act in accordance with the requirements of propriety or regularity. If the board of directors, council of governors or the chairman is contemplating a course of action involving a transaction which you as accounting officer consider would infringe these requirements, however, you should set out in writing your objection to the proposal and the reasons for this objection. If the board of directors, council of governors or chairman decides to proceed, you should seek a written instruction to take the action in question. You should also inform NHS Improvement of the position, if possible before the decision is taken or in any event before the decision is implemented, so that NHS Improvement, if it considers it appropriate, can intervene in accordance with its responsibilities under the Act. If the outcome is that you are overruled, the instruction must be complied with, but your objection and the instruction itself should be communicated without undue delay to the NHS foundation trust's external auditors and to NHS Improvement. Provided that this procedure has been followed, the PAC can be expected to recognise that the accounting officer bears no personal responsibility for the transaction.</p> <p>14. If a course of action is contemplated which raises an issue not of formal propriety or regularity but relating to your wider responsibilities for economy, efficiency and effectiveness, it is your duty to draw the relevant factors to the attention of the board of directors and the council of governors and to advise them in whatever way you deem appropriate. If your advice is overruled, and the proposal is one which as accounting officer you would not feel able to defend to the PAC as representing value for money, you should seek a written instruction before proceeding. NHS Improvement should be informed of such an instruction, if possible, before the decision is implemented. It will then be for NHS Improvement to consider the matter, and decide whether or not to intervene.</p> <p>15. If, because of the extreme urgency of the situation, there is no time to submit advice in writing in either of the eventualities referred to in paragraphs 13 and 14 before the decision is taken, you must ensure that, if the advice is overruled both the advice and the instructions are recorded in writing immediately afterwards. “</p>

4. SCHEME OF DELEGATION DERIVED FROM THE MENTAL HEALTH ACT 1983 (AND SUBSEQUENT AMENDMENTS)

The purpose of this document is to clearly identify which responsibilities under the Mental Health Act 1983 the Hospital Managers can delegate and to whom those responsibilities are delegated in compliance with the Mental Health Act 1983 and the Code of Practice (revised 2015). Within the meaning of the Act the term Hospital Managers should be read to mean the Trust.

It is the Hospital Managers who have authority to detain patients under the Mental Health Act. They have primary responsibility for seeing that the requirements of the Act are followed. In particular they must ensure that patients are detained only as the Act allows., that their treatment and care accord fully with its provisions and that they are fully informed of and are supported in exercising their statutory rights.

As managers of what the Act terms ‘responsible hospitals’, hospital managers have equivalent responsibilities toward those subject to Community Treatment Order

FUNCTIONS IMPOSED ON HOSPITAL MANAGERS BY THE MENTAL HEALTH ACT 1983 AND THE CODE OF PRACTICE

SCHEME OF DELEGATION

Monitoring and Governance Arrangement

Review of the Trust operation of the Act and Governance Arrangements		Chapter 37	Mental Health Act Committee
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FUNCTIONS THAT CANNOT BE DELEGATED TO OFFICERS OF THE TRUST

Function	Statutory reference ⁽¹⁾	Code of Practice ⁽²⁾	Authorised Person(s)/Committee
Review of patients detention	Section 20(3)	Chapter 37	Non-executive Directors Associate Mental Health Act Managers
Exercise of hospital managers’ power to discharge unrestricted detained and Supervised Community Treatment Patients	Section 23(2)(a)	Chapter 38	Non-executive Directors Associate Mental Health Act Managers

(1) Mental Health Act 1983 (as amended by the MHA 2007).

The Mental Health (Hospital, Guardianship and Consent to Treatment) (England) Regulations 2008 (S.I. 1184)

(2) The Mental Health Act 1983 Code of Practice (published 2008 , Revised 2015)

FUNCTIONS THAT CAN BE DELEGATED TO OFFICERS OF THE TRUST

Function	Statutory Reference	Code of Practice	Authorised Person(s)/Committee
Admission of patients under the MHA	MHA sections 6(2), 40(1), 40(3), 47(3), 45B(2)	Chapter 37	Registered Mental Health or Learning Disability Nurse (Documents for admission will be served by delivering it to an officer acting on behalf of the hospital managers on the admitting ward/unit)
Hospital Managers duty to give information to detained patients, supervised community treatment patients and nearest relative	S132 & 132A	Chapter 4 Chapter 29 Chapter 37	Registered Mental Health or Learning Disability Nurse Care Coordinator Mental Health Act Administration
Receipt, Scrutiny and Rectification of documents	MHA 11(2) MHA section 15 Regulation 4(3)	Chapter 13	Receipt of Documents: Registered Mental Health or Learning Disability Nurse Mental Health Act Administration Scrutiny & rectification of Documents:- Mental Health Act Administration Medical Scrutiny:- Consultant Psychiatrist Specialist Registrar with appropriate clinical expertise
Recording of Admission (Form H3) (for sections 2,3 & 4)	MHA Sections 2,3 and 4 Regulations 4(4) and 4(5)	Chapter 35	Registered Mental Health or Learning Disability Nurse

Function	Statutory Reference	Code of Practice	Authorised Person(s)/Committee
Recording admission (section 5(2) – Form H1 Section 5(4) – Form H2)	MHA Sections 5(2) and 5(4)	Chapter 18	Mental Health Act Administration Registered Mental Health or Learning Disability Nurse Registered Medical Practitioner in Charge of Care/Nominated Deputy
Receipt of Renewal documentation on behalf of Hospital Managers (Form 5)	MHA Section 20(3)(b)	Chapter 32	Mental Health Act Administration
Duties in respect of Victims of crime	Domestic Violence, Crime and Victims Act 2004	Chapter 10 , 10.19-21 Chapter 37 37.34 Chapter 40	Mental Health Act Administration Manager Responsible Clinician Clinical Nurse Manager Ward Manager
Receipt of order for the discharge of a patient, or notice of intention to make such an order from detention or CTO by RC or nearest relative			Mental Health Act Manager Mental Health Act Administration
Receipt of Community Treatment order (Form CTO1)	Section 17A Regulation 6(1)(a),(b)and 6(2)(a)	Chapter 29	Mental Health Act Administration
Receipt of order varying CTO conditions (Form CTO2)	Section 17B(4) Regulation 6(2)(b)	Chapter 29	Mental Health Act Administration
Receipt of extension report for CTO (Form CTO7)	Section 20A(4)(b) Regulations 13(6)(a) (b) and 13(7)	Chapter 32	Mental Health Act Administration
Receipt of notice recalling patient from CTO (Form CTO 3)	Section 17E(6) Regulation 6(3)(a)	Chapter 29	Mental Health Act Administration
Record of detention in hospital after recall (Form CTO4)	Section 17E Regulations 6(3)(d)	Chapter 29	Registered Mental Health or Learning Disability Nurse
Receipt of CTO Revocation order (Form CTO 5)	Section 17F(4) Regulation 6(8)(a) (b)	Chapter 29	Mental Health Act Administration
Transfer of CTO Patient to a hospital under different managers (form CTO 6)	Section 17F(2) Regulation 9(3)(a), 9(5) Statutory Reference	Chapter 29 Chapter 37	Decision to transfer made by RC Mental Health Act Administration
Function Transfer of Authority for detained patients (form H4)	Section 19(1)(a) Regulation 7(2)(a), 7(3)	Chapter 37	Decision to transfer made by RC Mental Health Act Administration
Duty to refer cases to Tribunal Mental Health	Section 68	Chapter 37	MHA Administration

Transfer to guardianship (Form G6)	Section 19(1)(a) Regulation 7(4)	Chapter 37	Mental Health Act Manager
Withholding patients' correspondence	Section 134	Chapter 37	Ward Manager

5. SCHEME OF DELEGATION FROM STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1	CHAIR	Final authority in interpretation of Standing Orders (SOs).
3.5	CHAIR	Call meetings.
3.14	CHAIR	Chair all Board meetings and associated responsibilities.
3.21	CHAIR	Give final ruling in questions of order, relevancy and regularity of meetings.
3.22	CHAIR	Having a second or casting vote
3.32	BOARD	Suspension of Standing Orders
3.36	AUDIT AND RISK COMMITTEE	Audit and Risk Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.37	BOARD	Variation or amendment of Standing Orders.
4.3	CHAIR & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive Directors.
4.5	BOARD	Formal delegation of powers to committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of committees may be approved by the Chief Executive.)
4.7	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
4.10	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
6.1	THE BOARD	Declare relevant and material interests.
6.3	CHIEF EXECUTIVE	Maintain Register(s) of Interests.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
8.1	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" (contained in Appendix B), the Bribery Act and "Managing Conflicts of Interest in the NHS: Guidance for staff and organisations" (Gateway Ref. 06419, published February 2017)
8.9	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
9.6	OFFICERS	Officers to whom powers have been delegated by the Chief Executive may waive formal tendering procedures without reference to the Chief Executive where: <ul style="list-style-type: none"> 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); where the supply is proposed under special arrangements negotiated by the DoHSC in which event the said special arrangements must be complied with; where provided for in the Capital Investment Manual.
9.6 and 9.8	CHIEF EXECUTIVE	The Chief Executive shall have authority to waive formal tendering procedures where: <ul style="list-style-type: none"> the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; specialist expertise is required and is available from only one source; the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of continuity must outweigh any potential financial advantage to be gained by competitive tendering. <p>Where it is decided that competitive tendering is not applicable by virtue of any of the above, the fact of waiver and the reasons should be documented and reported by the Chief Executive to the Trust in formal meeting. Reports shall be received by the Audit and Risk Committee.</p>
9.16	CHIEF EXECUTIVE	The Chief Executive or his nominated officer should evaluate any quotations received and select the one which gives the best value for money. If this is not the lowest, then this fact and the reasons why the lowest quotation was not chosen should be in a permanent record.
9.18	OFFICERS	Signing of contracts up to the value of £99,999 in accordance with S.O. authorisation limits.
9.20	CHIEF EXECUTIVE	Where the Trust proposes to market test for PFI when considering a capital procurement, the Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector. Reports shall be received by the Audit and Risk Committee.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
9.21	BOARD	Where the Trust proposes to market test for PFI when considering a capital procurement, the proposal must be specifically agreed by the Board.
9.22	BOARD	The Board requires assurance that the selection of a contractor/finance company is on the basis of competitive tendering/quotation.
11.4	CHIEF EXECUTIVE	In all cases where the Board determines that services should be provided in-house, the Chief Executive shall nominate an Officer to oversee and manage the contract on behalf of the Trust.
12.1/12.4	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
13.1	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

6. SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1(3)	DIRECTOR OF FINANCE	Approval of all financial procedures.
1.1(4)	DIRECTOR OF FINANCE	Advice on interpretation or application of SFIs.
1.1(6)	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
1.2(2)	CHIEF EXECUTIVE	Responsible as the Accounting Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
1.2(2)	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
1.2(3)	DIRECTOR OF FINANCE	Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
1.2(4)	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
1.2(4)	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
1.2(5)	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
2.1(1)	AUDIT AND RISK COMMITTEE	Provide independent and objective view on internal control and probity.
2.1(2)	CHAIR	Raise the matter at the Board meeting where Audit and Risk Committee considers there is evidence of ultra vires transactions or improper acts.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
2.1(3) & 2.2(1)	DIRECTOR OF FINANCE	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit and Risk Committee in the selection process when/if an internal audit service provider is changed.)
2.2(1)	DIRECTOR OF FINANCE	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption in accordance with the Fraud & Corruption Manual.
2.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with the Audit Code for NHS Foundation Trust, NHS Foundation Trust Reporting Manual and the NHS Foundation Trust Accounting Officer Memorandum and best practice.
2.4	AUDIT AND RISK COMMITTEE	Ensure cost-effective External Audit and comply with the Independent Regulator's Audit Code for NHS Foundation Trusts.
2.5	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Monitor and ensure compliance with Audit Code for NHS Foundation Trusts best practice guidance on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
2.6	CHIEF EXECUTIVE	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
3.1(1)	CHIEF EXECUTIVE	Compile and submit to the Board a Local Delivery Plan (LDP) which takes into account financial targets and forecast limits of available resources. The LDP will contain: <ul style="list-style-type: none"> • a statement of the significant assumptions on which the plan is based; • details of major changes in workload, delivery of services or resources required to achieve the plan.
3.1(2) & 3.1(3)	DIRECTOR OF FINANCE	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
3.1(7)	DIRECTOR OF FINANCE	Ensure adequate training is delivered on an on-going basis to budget holders.
3.2(1)	CHIEF EXECUTIVE	Delegate budget to budget holders.
3.2(2)	CHIEF EXECUTIVE & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
3.3(1)	DIRECTOR OF FINANCE	Devise and maintain systems of budgetary control.
3.3(2)	BUDGET HOLDERS	Ensure that <ul style="list-style-type: none"> a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose subject to rules of virement;

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within available resources and manpower establishment.
3.3(3)	CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the contracts awarded.
3.5(1)	CHIEF EXECUTIVE/ DIRECTOR OF FINANCE	Submit monitoring returns
4.1	DIRECTOR OF FINANCE	Preparation of the Annual Accounts.
4.3	DIRECTOR OF CORPORATE GOVERNANCE	Preparation of the Annual Report.
4.3	DEPUTY CHIEF EXECUTIVE & EXECUTIVE MEDICAL DIRECTOR	Preparation of the Quality Account.
5.1	DIRECTOR OF FINANCE	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. The Trust Board ratifies the Trust's banking arrangements which are agreed by the Finance, Information and Performance Committee.
6	DIRECTOR OF FINANCE	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
6.2 (2)	ALL EMPLOYEES	Duty to adhere by the Trust's "Non-NHS Income Policy".
6.2(4)	ALL EMPLOYEES	Duty to inform DoF of money due from transactions which they initiate/deal with.
6.2(5)	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Approval of provision of service to be undertaken, without a written contract, must occur prior to commencement of the service provision.
6.3 (4)	ALL EMPLOYEES	Duty to adhere to the trust's "Income Collection Policy and Procedures".
7.1	CHIEF EXECUTIVE	Must ensure the Trust enters into suitable legally binding contracts with service commissioners for the provision of NHS services and shall nominate officers with power to negotiate with commissioners for the provision of healthcare and related services.
7.3	CHIEF EXECUTIVE	As the Accounting Officer, ensure that regular reports are provided to the Board detailing actual and forecast revenue from the legally binding contracts

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
8.1(1)	BOARD	Establish a Remuneration & Nominations Committee Remuneration & Nominations Committee consisting of Non-Executive Directors to decide the remunerations and allowances and the other terms of office of the Executive Directors, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.
8.1(2)	REMUNERATION & NOMINATIONS COMMITTEE	<p>The Committee:</p> <p>a) Is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercising of its function</p> <p>(b) Will regularly review the structure, size and composition of the Board making use of the output of the Board evaluation process as appropriate, and make recommendations to the Board, and Nomination Committee of the Council of Governors, as applicable, with regard to any changes.</p> <p>c) Give full consideration to and make plans for succession planning for the Chief Executive and other Executive Board of Directors.</p>
8.1(3)	REMUNERATION & NOMINATIONS COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
8.1(4)	BOARD	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
8.2(2)	DIRECTOR OF FINANCE	Approval of variation to funded establishment of any department.
8.3	ASSOCIATE DIRECTOR OF HUMAN RESOURCES	Staff, including agency staff, appointments and re-grading.
8.4(1)	ASSOCIATE DIRECTOR OF HUMAN RESOURCES	<p>Payroll:</p> <p>a) specifying timetables for submission of properly authorised time records and other notifications;</p> <p>b) specifying the procedure for travel and subsistence expenses claims and maintenance of the expenses claims policy and procedures</p> <p>c) final determination of pay and allowances;</p> <p>d) making payments on agreed dates;</p> <p>e) agreeing method of payment;</p> <p>f) issuing instructions</p>
8.4(3)	SENIOR MANAGERS (BAND 7 & ABOVE)	<p>Submit time records in line with timetable.</p> <p>Complete HR required forms/time sheets and other notifications to HR and Payroll in required form.</p> <p>Submitting termination forms in prescribed form and on time.</p>

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
8.4(4)	DIRECTOR OF FINANCE/ DIRECTOR OF HUMAN RESOURCES	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
8.4(4)	PAYROLL PROVIDER	Has 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 installments up to 6 months may be arranged by the payroll provider without prior agreement by the Director of Finance. However, all installment options that exceed the timeframe that the overpayment built up over require Director of Finance approval.
8.5	ASSOCIATE DIRECTOR OF HUMAN RESOURCES	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and Deal with variations to, or termination of, contracts of employment.
9.1	BOARD/DIRECTOR OF FINANCE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level. A detailed record will be maintained and by the Director of Finance.
9.1(3)	CHIEF EXECUTIVE/ DIRECTOR OF FINANCE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
9.2(1)	REQUISITIONER (WHO MUST BE THE APPROVED BUDGET MANAGER)	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
9.2(2)	DIRECTOR OF FINANCE	Shall be responsible for the prompt payment of accounts and claims.
9.2(3)	DIRECTOR OF FINANCE	<ul style="list-style-type: none"> a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed; b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds; c) Be responsible for the prompt payment of all properly authorised accounts and claims; d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable; e) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		f) Instructions to employees regarding the handling and payment of accounts within the Finance Department; g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received
9.2(4)	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment rendering at least 20% of savings
9.2(4)	DIRECTOR OF FINANCE / DEPUTY DIRECTOR OF FINANCE	Approve proposed prepayment arrangements based on "VFM" assessment
9.2(4)	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
9.2(5)	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
9.2(6)	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
9.2(7)	CHIEF EXECUTIVE DIRECTOR OF FINANCE	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE in as much as there is no conflict with guidance from the Independent Regulator. The technical audit of these contracts shall be the responsibility of the relevant Director.
10.1(1)	DIRECTOR OF FINANCE	The DoF will advise the Board on the Trust's ability to pay interest on PBC and any proposed borrowing within the limits set by its Terms of Authorisation and report, periodically, concerning the PDC debt and all loans and overdrafts.
10.1(2)	BOARD	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the CE and DoF.)
10.1(3)	DIRECTOR OF FINANCE	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
10.1(4)	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE	Be on an authorising panel comprising one other member for short term borrowing approval.
10.2(2)	DIRECTOR OF FINANCE	Will advise the Board on investments and report, periodically, on performance of same and report to the Independent Regulator on any major investments that will affect the financial risk rating of the Trust.
10.2(3)	DIRECTOR OF FINANCE	Prepare detailed procedural instructions on the operation of investments held which comply with any instructions issued by the Independent Regulator from time to time.
11	DIRECTOR OF FINANCE	Ensure that Board members are aware of the Financial Framework and ensure compliance
12.1(1) 12.1(2)	CHIEF EXECUTIVE DIRECTOR OF FINANCE	Capital investment programme:

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<ul style="list-style-type: none"> a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal.
12.1(2)	DIRECTOR OF FINANCE	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
12.1(3)	DIRECTOR OF FINANCE	Issue procedures for management of contracts involving stage payments.
12.1(4)	DIRECTOR OF FINANCE	Assess the requirement for the operation of the construction industry taxation deduction scheme.
12.1(5)	DIRECTOR OF FINANCE	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
12.1(6)	CHIEF EXECUTIVE/ DIRECTOR OF FINANCE	<p>Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender.</p> <p>Issue a scheme of delegation for capital investment management.</p>
12.1(7)	DIRECTOR OF FINANCE	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
12.2(1)	DIRECTOR OF FINANCE	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
12.2(1)	BOARD	Proposal to use PFI must be specifically agreed by the Board.
12.3(1)	CHIEF EXECUTIVE	Maintenance of non-current asset registers (on advice from DoF).
12.3(5)	DIRECTOR OF FINANCE	Approve procedures for reconciling balances on property, plant and equipment and intangible asset accounts in ledgers against balances on property, plant and equipment and intangible asset registers.
12.3(7)	DIRECTOR OF FINANCE	Calculate and pay capital charges in accordance with the Independent Regulator's requirements.
12.4(1)	CHIEF EXECUTIVE	Overall responsibility for property, plant and equipment and intangible assets.
12.4(2)	DIRECTOR OF FINANCE	Approval of control procedures for property, plant and equipment and intangible assets.
12.4(2)	CASHIERS, PETTY CASH FLOAT HOLDERS, AND AUTHORISED SIGNATORIES	Duty to adhere to the trust's "Cashiering and Petty Cash Float Holder's Policy and Procedures"

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
12.4(4)	BOARD, EXECUTIVE MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
13.2	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
13.2	DIRECTOR OF FINANCE	Responsible for systems of control over stores and receipt of goods.
13.2	CHIEF PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical inventories.
13.2	THE BOARD	Responsible for appointing a Controlled Drugs Accountable Officer as required by the 2007 Health Act, and notification to the CQC the name of the trust's Controlled Drugs Accountable Officer (CDAO), and that s/he is a "fit, proper and suitably experienced person" who does not "routinely supply, administer or dispose of controlled drugs as part of his or her duties."
13.2	CHIEF PHARMACEUTICAL OFFICER	Responsibility as the Controlled Drugs Accountable Officer (CDAO)
13.2	DESIGNATED ESTATES OFFICER	Responsible for control of inventories of fuel oil and coal.
13.2	DESIGNATED BUILDING MANAGER	Security arrangements and custody of keys
13.2	DIRECTOR OF FINANCE	Set out procedures and systems to regulate the stores.
13.2	DIRECTOR OF FINANCE	Agree stocktaking arrangements.
13.2	DIRECTOR OF FINANCE	Approve alternative arrangements where a complete system of stores control is not justified.
13.2	DIRECTOR OF FINANCE	Approve system for review of slow moving and obsolete inventory and for condemnation, disposal and replacement of all unserviceable items.
13.2	DESIGNATED BUILDING MANAGER	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.
13.3(1)	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
14.1(1)	DIRECTOR OF FINANCE	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
14.2(1)	DIRECTOR OF FINANCE	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
14.2 (1)	ALL EMPLOYEES	Duty to adhere to the trust's "Losses and Special Payments Policy and Procedures"
14.2(2)	ALL EMPLOYED STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the CE and DoF.
14.2(2)	DIRECTOR OF FINANCE	Where a criminal offence is suspected, DoF must inform the police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant LCFS and NHS Protect Regional Team.
14.2(2)	DIRECTOR OF FINANCE	Notify NHS Protect, External Audit and Independent Regulator of all frauds.
14.2(3)	DIRECTOR OF FINANCE	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
14.2(4)	BOARD	Approve write off of losses (within limits delegated by the Independent Regulator/HM Treasury via NHSI).
14.2(6)	DIRECTOR OF FINANCE	Consider whether any insurance claim can be made.
14.2(7)	DIRECTOR OF FINANCE	Maintain losses and special payments register.
15.1	DEPUTY CHIEF EXECUTIVE	Responsible for accuracy and security of computerised financial data.
15.1	DIRECTOR OF FINANCE	Satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurances of adequacy must be obtained from them prior to implementation.
15.1(3)	DIRECTOR OF CORPORATE GOVERNANCE	Shall publish and maintain a Freedom of Information Scheme.
15.2(1)	DIRECTOR OF IMST	Send proposals for general computer systems to Deputy Chief Executive
15.3	DIRECTOR OF FINANCE	Ensure that contracts with other bodies for the provision of computer services for financial applications including Payroll clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
15.4	DEPUTY CHIEF EXECUTIVE/DIRECTOR OF FINANCE	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
15.5	DIRECTOR OF FINANCE	Where computer systems, including Payroll, have an impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists; c) DoF and staff have access to such data; Such computer audit reviews are being carried out as are considered necessary.
16.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
16.3	DIRECTOR OF FINANCE	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of.
16.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
17.1	DIRECTOR OF FINANCE	Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.
18	DIRECTOR OF FINANCE	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff
19	CHIEF EXECUTIVE	Retention of document procedures in accordance with the NHS Records Management: Code of Practice.
20.1	CHIEF EXECUTIVE	Risk management programme.
20.1	BOARD	Approve and monitor risk management programme.
20.2	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Resolutions or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
20.4	DIRECTOR OF FINANCE	Where the Board decides to use the risk pooling schemes administered by the NHS Resolutions the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements. Where the Board decides not to use the risk pooling schemes administered by the NHS Resolutions for any one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Finance will draw up

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.
20.4	DIRECTOR OF FINANCE	Ensure documented procedures cover management of claims and payments below the deductible.

7. DETAILED SCHEME OF DELEGATION BY AREA/TYPE TO THE LOWEST LEVEL OF DELEGATION.

Standing Orders and Standing Financial Instructions set out in some detail the financial responsibilities of the Chief Executive (CE), the Director of Finance (DoF) and other directors.

A more detailed scheme of delegation including financial limits is provided in the following table and is organised by transaction type for ease of reference.

Delegated matters in respect of decisions which may have a far reaching effect must be reported to the Chief Executive. **The delegation shown below is the lowest level to which authority is delegated.** Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegation, consult with other Senior Officers as appropriate. All items concerning Finance must be carried out in accordance with Standing Financial Instructions and Standing Orders. When committing expenditure in respect of delegated Services from the Local Authority, all relevant Local Authority Standing Financial Instructions, Standing Orders and decision making processes must be adhered to.

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>1. Management of Budgets Responsibility of keeping expenditure within budgets</p> <p>a) At individual budget level (Pay and Non Pay). b) At service level. c) For the totality of services covered by Directors of Services d) For all other areas. e) Approving expenditure above agreed tender price up to 10% variation or £30k whichever is the higher. f) Approving expenditure >tender price > 10% >or £30k. Up to a maximum of £35k).</p>	<p>Budget Manager Service, Clinical and Support Directors Service, Clinical and Support Directors</p> <p>Director of Finance or Appropriate Delegated Manager Director of Finance or Service, Clinical & Support Directors</p> <p>Director of Finance</p>	<p>SFIs Section 3,8 & 9</p>
<p>2. Maintenance/Operation of Bank Accounts</p>	<p>Director of Finance</p>	<p>SFIs Section 5</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>3. Non-Pay Revenue & Capital Expenditure/ Requisitioning/Ordering/Payment of Goods & Services (Excluding Call Off Orders)</p> <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 • Pharmacy drugs orders up to £99,999 • Pharmacy drugs orders over £100,000 to £249,999 • Works orders up to £19,999 • Works orders over £20,000 to £99,999 	<ul style="list-style-type: none"> • Delegated Budget Holders per Authorised Signatory Lists - Line Manager Budget Level • Delegated Budget Holders per Authorised Signatory Lists – Budget Holder Budget Level • Delegated budget holder & Per Authorised Signatory Lists – Budget Manager Level • Delegated budget holder & responsible Executive Director, Deputy Director of Finance or Principal Accountant • Chief Executive, Deputy Chief Executive or Director of Finance with BPG approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance, with EDG approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance, with FPC approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance, with Board approval • Head of Pharmacy • Head of Pharmacy and Director of Finance • Director of Facilities • Director of Facilities & either Director of Finance or Deputy Director of Finance 	<p>SFIs Section 9</p> <p>(Note: More detailed delegated authority lists are provided by the Finance Directorate).</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<ul style="list-style-type: none"> • Works orders over £100,000 up to £249,000 • IMST Orders up to £99,999 • IMST Orders from £100,000 to £249,000 • Capital Projects <ul style="list-style-type: none"> Projects up to £499,999 – Executive Directors' Group Projects from £499,999 to £999,999 – Finance and Performance Committee With Projects over £1m requiring further Board approval. NB: Where applicable, competitive quotations/tenders must be sought in accordance with the limits set out in Section 5 below. b) Awarding and 'Signing' of Contracts <ul style="list-style-type: none"> • Up to £4,999 • Up to £9,999 • Up to £99,999. • Up to £249,999 • Up to £1m • Up to £2m • Over £2m. 	<ul style="list-style-type: none"> • Chief Executive and/or Director of Finance • Director of IMST or Deputy Director of Finance • Director of IMST and Director of Finance <p>The approval of a capital scheme by the EDG/FPC /Board acts as authorisation to commit capital expenditure and any adverse variations between the authorised capital amount and the amount being requisitioned. The requisition may be signed as per the authorised signatory list following appropriate approval.</p> <ul style="list-style-type: none"> • Designated Budget Holders • Authorised Budget Holders/Managers (per SoD 3a above) OR Head of Contracting / Procurement • Deputy Director of Finance, Chief Executive, Deputy Chief Executive, Director of Finance • Director of Finance, Deputy Chief Executive or Chief Executive with BPG approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance with EDG approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance with FPC approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance with Trust Board approval 	<p>SO 9.18</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
c) Orders exceeding 12 month period. d) All contracts for goods & services and subsequent variations to contracts.	Director of Finance or Deputy Director of Finance Director of Finance or Chief Executive or Deputy Chief Executive or Deputy Director of Finance	
4. Capital Schemes a) Selection of architects, quantity surveyors, consultant engineer and other professional advisors within EU regulations b) Financial monitoring and reporting on all capital scheme expenditure c) Granting and termination of leases with annual rent <£100k d) Granting and termination of leases of >£100k	Chief Executive or Director of Finance or Director of Facilities Director of Finance or Director of Facilities Director of Finance or Director of Facilities Chief Executive or Director of Finance	SFIs Section 12
5. Quotation, Tendering & Contract Procedures a) Obtaining 2 minimum verbal quotations for goods/services up to £9,999 b) Obtaining 3 written quotations for goods/services from £10,000 to £29,999 c) Obtaining 4 written competitive tenders for goods/services from £30,000 to the current EU Threshold d) Obtaining 6 written competitive tenders for goods/services over the current EU Threshold	Service, Clinical & Support Directors Director of Finance or Nominated Deputy /Director of Facilities <u>and</u> Service, Clinical & Support Directors Chief Executive and/or Director of Finance and Service, Clinical & Support Directors Chief Executive and Non-Executive Director <u>under Seal</u>	SFIs Section 9 & 12 SO 11.5

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>e) Waiver of quotations & tenders subject to SFIs</p> <p>f) Opening Tenders and Quotations</p> <p>g) Authority to authorise, award and sign contracts on behalf of the Trust.</p> <ul style="list-style-type: none"> • Up to £4,999 • Up to £9,999 • Up to £99,999. • Up to £249,999 • Up to £1m • Up to £2m • Over £2m. 	<p>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. Otherwise Chief Executive or Director of Finance approval is required.</p> <p>Chief Executive or Executive Director of Non-Executive Director.</p> <ul style="list-style-type: none"> • Designated Budget Holders • Authorised Budget Holders/Managers (per SoD 3a above) OR Head of Contracting / Procurement • Deputy Director of Finance, Chief Executive, Deputy Chief Executive, Director of Finance • Director of Finance, Deputy Chief Executive or Chief Executive with BPG approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance with EDG approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance with FPC approval • 2 from 3 of Chief Executive, Deputy Chief Executive or Director of Finance with Trust Board approval 	<p>See also Standing Order Appendix A, and separate Capital Management procedure covering invitation of quotations/tenders and Business cases</p> <p>SO 9.18</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>6. Setting of Fees and Charges</p> <p>a) Private Patient, Overseas Visitors, Income Generation and other patient related services.</p> <p>b) Price of NHS and Local Authority Contracts Charges for all NHS and Local Authority Contracts, be they block, cost per case, cost and volume or spare capacity.</p>	<p>Director of Finance or Deputy Director of Finance</p> <p>Director of Finance or Deputy Director of Finance</p>	<p>SFIs Section 6 & 7</p> <p>SFIs Section 6 & 7</p>
<p>7. Engagement of Staff Not On the Establishment</p> <p>a) Non-Medical Consultancy Staff Where aggregate commitment in any one year (or total commitment) is less than £9,999</p> <p>b) Where aggregate commitment in any one year is more than £9,999</p> <p>c) Where aggregate commitment in any one year is more than £50,000</p> <p>d) Engagement of Trust's Solicitors</p> <p>e) Booking of Bank, Agency Staff</p> <ul style="list-style-type: none"> • Medical Locums • Nursing • Clerical 	<p>Authorised Budget Holder</p> <p>Deputy Chief Executive or Director of Finance or Deputy Director of Finance</p> <p>Executive Director approval required, along with NHS Improvement approval.(for consultancy only)</p> <p>Deputy Chief Executive or an Executive Director</p> <p>Service, Clinical & Support Directors</p>	<p>SFIs Section 8 Engaging Individual Self-Employed Contractors (Procurement) Policy Refers.</p>
<p>8. Expenditure on Charitable and Endowment Funds</p> <p>a) Up to £9,999 per request</p>	<p>2 signatures from Chief Executive; Deputy Chief Executive, Director of Finance or Deputy Director of Finance.</p>	<p>SFIs Section 17</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
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) a) Preparation and signature of all tenancy agreements/licences for all staff subject to Trust Policy on accommodation for staff b) Extensions to existing leases c) Letting of premises to outside organisations d) Approval of rent based on professional assessment	Director of Finance & Director of Facilities Director of Facilities or Deputy Director of Finance Director of Finance and Director of Facilities or Deputy Director of Finance Director of Facilities or Deputy Director of Finance	
10. Condemning & Disposal a) Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively (precluding electrical equipment) <ul style="list-style-type: none"> i) with current/estimated purchase price <£50 ii) with current purchase new price >£50 iii) disposal of x-ray films (subject to estimated income of £1,000 per sale) iv) disposal of x-ray films (subject to estimated income exceeding £1,000 per sale) v) disposal of mechanical and engineering plant (subject to estimated income of less than £1,000 per sale) 	Service, Clinical & Support Directors Condemning Officer (Head of Procurement) Service, Clinical & Support Directors & Head of Procurement Service, Clinical & Support Directors & Head of Procurement Director of Facilities	SFIs Section 14

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
vi) disposal of mechanical and engineering plant (subject to estimated income exceeding £1,000 per sale)	Director of Facilities and Director of Finance	
<p>11. Losses, Write-off & Compensation</p> <p><u>Losses</u></p> <p>a) Losses and Cash due to theft, fraud, overpayment of salaries & other causes (Category 1)</p> <p>b) Fruitless Payments and constructive losses including abandoned Capital Schemes and constructive losses. Category 2)</p> <p>f) Bad Debts and Claims abandoned in relation to a) private patients, b) overseas visitors & c) others (Category 3)</p> <p>d) Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: a) theft, fraud etc. b) stores losses and c) other (Category 4)</p> <p><u>Special Payments</u></p> <p>e) Compensation payments made under legal obligation (Category 5)</p> <p>f) Extra Contractual payments to contractors (Category 6)</p> <p>g) Ex-Gratia Payments (Category 7) sub-defined as follows:</p> <p>i) Loss / damage to personal effects (Staff/Service Users) (Category 7a)</p>	<p>Chief Executive or Deputy Director of Finance and report to the Board via the Audit and Risk Committee.</p> <p>Chief Executive or Director of Finance and report to the Board, via the Audit and Risk Committee.</p> <p>Chief Executive or Director of Finance and report to the Board, via the Audit and Risk Committee.</p> <p>Chief Executive or Director of Finance and report to the Board, via the Audit and Risk Committee</p> <p>Chief Executive or Director of Finance and report to the Board, via the Audit and Risk Committee.</p> <p>Chief Executive or Director of Finance and report to the Board, via the Audit and Risk Committee</p> <p>Service/Clinical Directors (Up to £1,000) and report to the Board, via the Audit and Risk Committee.</p>	<p>SFIs Section 14 & the trust's "Losses and Special Payments Policy".</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<ul style="list-style-type: none"> ii) Clinical negligence with advice (Category 7b) iii) Personal Injury with advice (Category 7c) iv) Other negligence and injury (Category 7d) v) Other employment payments (should not include special severance payments (see below) (Category 7e) vi) Patient referrals outside the UK and EEAS guidance (Category 7f) vii) Other (Category 7g) viii) Maladministration (Category 7h) <p>h) Special Severance Payments (requiring HMT Approval)</p> <p>i) Extra Statutory or Extra Regulatory Payments</p>	<p>Chief Executive or Director of Finance (over £1,000) and report to the Board, via the Audit and Risk Committee</p> <p>Chief Executive or Director of Finance and report to the Board, via the Audit and Risk Committee and seek approval for submission to HM Treasury over £50,000</p> <p>Chief Executive or Director of Finance and HMT approval and report to the Board, via the Audit Committee</p> <p>Chief Executive or Director of Finance and report to the Board, via the Audit and Risk Committee</p>	
<p>12. Reporting of Incidents to the Police</p> <ul style="list-style-type: none"> a) Where a criminal offence is suspected <ul style="list-style-type: none"> i) criminal offence of a violent nature ii) other b) Where a fraud is involved 	<p>Executive Director on Call (also contact the Local Security Management Specialist)</p> <p>Director of Finance (via Local Counter Fraud Specialist)</p>	<p>SFIs Section 14.2(2)</p>
<p>13. Petty Cash Disbursements (not applicable to central Cashiers Office)</p> <ul style="list-style-type: none"> a) Expenditure up to £40 per item 	<p>Petty Cash Holder, on receipt of an appropriately authorised voucher by a budget manager on the authorised signatory database.</p>	<p>SFIs Section 6 & the trust's Cashiering and Petty Cash Float</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
b) Reimbursement of patients monies over £10 c) Reimbursement of patients monies in excess of £50	To be countersigned by designated ward staff Authorised signatories per procedure	Holder's Policy and procedures. SFIs Section 16 SFIs Section 16
14. Receiving Gifts & Other Benefits in Kind (including Hospitality) Applies to both individual and collective hospitality receipt items. In excess of £50.00 per item received. 15. Implementation of Internal and External Audit Recommendations 16. Maintenance & Update on Trust Financial Procedures 17. Investment of Funds	Declaration required per the Trust's policy on Receipt of Gifts & Other Benefits in Kind (e.g. Hospitality) Director of Finance Director of Finance Director of Finance	SO Section 6 & 8. SFIs Section 18. SFIs Section 2 and 20. SFIs Section 1.1(3) & 1.2(3) SFIs Section 10 & Treasury Management Policy

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>18. Personnel & Pay</p> <p>a) Authority to fill funded post on the establishment with permanent staff.</p> <p>b) Authority to appoint staff to post not on the formal establishment.</p> <p>c) Discretionary payments to staff outside contractual terms and conditions</p> <p>d) <u>Additional Increments</u> The granting of additional increments to staff within budget</p> <p>e) <u>Upgrading & Regrading</u> All requests for upgrading/regrading shall be dealt with in accordance with Trust Procedure</p> <p>f) <u>Establishments</u></p> <p>i) Additional staff to the agreed establishment with specifically allocated finance.</p> <p>ii) Additional staff to the agreed establishment without specifically allocated finance.</p> <p>g) <u>Pay</u></p> <p>i) Authority to complete and authorise HR change reporting forms</p> <p>ii) Authority to authorise overtime</p> <p>ii) Authority to authorise travel & subsistence expenses</p> <p>iv) Authority to advise the Board about appropriate remuneration for the Chief Executive, Other</p>	<p>Service, Clinical & Support Directors</p> <p>Chief Executive or Executive Director of Finance</p> <p>Approval is required by Executive Director of Finance and a second Executive lead, once the advice of the Associate Director of HR has been sought. This should include the Medical Director when in relation to decisions regarding Medical staff pay.</p> <p>Director of Human Resources</p> <p>Chief Executive or Executive Directors in consultation with the Director of Human Resources and Director of Finance</p> <p>Service, Clinical & Support Directors</p> <p>Service, Clinical & Support Directors with agreement of Director of Finance and Director of Human Resources</p> <p>Service, Clinical & Support Directors</p> <p>Service, Clinical & Support Directors</p> <p>Service, Clinical & Support Directors</p> <p>Remuneration & Appointments Committee on advice from the Director of Human Resources</p>	<p>SFIs Section 3 and 8.</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
<p>Executive Directors and other senior employees (including salaried GPs),</p> <p>h) <u>Leave</u></p> <p>i) Approval of annual leave</p> <p>ii) Annual leave - approval of carry forward (up to maximum of 5 days)</p> <p>iii) Annual leave - approval of carry over in excess of 5 days but less than 10 days.</p> <p>iv) Annual leave - approval to carry forward 10 days or more.</p> <p>v) Compassionate leave up to 3 days</p> <p>vi) Compassionate leave up to 6 days</p> <p>vii) Special leave arrangements</p> <ul style="list-style-type: none"> • paternity leave • carers leave etc. <p>viii) Leave without pay</p> <p>ix) Medical Staff Leave of Absence</p> <ul style="list-style-type: none"> • paid and unpaid <p>x) Time off in lieu</p> <p>xi) Maternity Leave - paid and unpaid</p> <p>i) <u>Sick Leave</u></p> <p>i) Extension of sick leave on half pay up to three months</p> <p>ii) Return to work part-time on full pay to assist recovery</p> <p>iii) Extension of sick leave on full pay</p> <p>j) <u>Study Leave</u></p> <p>i) Study leave outside the UK</p>	<p>Line/Department Manager Line/Department Manager</p> <p>Service, Clinical & Support Directors</p> <p>Service, Clinical & Support Directors with approval of Director of Human Resources Service, Clinical & Support Directors Service, Clinical & Support Directors Service, Clinical & Support Directors</p> <p>Service, Clinical & Support Directors and Associate Director of HR</p> <p>Medical Director & Chief Executive Line/Department Manager Automatic approval within guidance</p> <p>Director of Human Resources</p> <p>Director of Human Resources and Service, Clinical & Support Directors Director of Human Resources</p> <p>Chief Executive</p>	<p>NHS Conditions of Service or Trust Conditions of Service/Local Authority Staff in accordance with procedures laid down</p>

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
ii) Medical staff study leave (UK) iii) All other study leave (UK)	Medical Director and Service, Clinical & Support Directors Service, Clinical & Support Directors	
k) <u>Removal Expenses, Excess Rent and House Purchases</u> Authorisation of payment of removal expenses incurred by officers taking up new appointments (providing consideration was promised at interview)	Director of Human Resources & Service, Clinical & Support Directors Chief Executive or Executive Director of Finance	
i) up to £8,000 ii) over £8,000		
l) <u>Grievance Procedure</u> All grievances cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of a Human Resources Officer must be sought when the grievance reaches the level of General Manager	Director of Human Resources	Trust Grievance Procedure
m) <u>Authorised Lease Car & Mobile Phone Users</u> Requests for new posts to be authorised as car users Requests for new posts to be authorised as mobile telephone users	Service, Clinical & Support Directors and Director of Finance/Deputy Director of Finance Service, Clinical & Support Directors and Director of Finance/Deputy Director of Finance	
n) Approval of new Salary Sacrifice (E.g. Car) Scheme contracts (authorisation to sign Supplier contract documentation for new cases)	Head of Financial Accounts	Salary Sacrifice policy documentation
o) <u>Renewal of Fixed Term Contract</u>	Service, Clinical & Support Directors=	
p) <u>Redundancy</u>	Director of Human Resources and Director of Finance	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
q) <u>Ill Health Retirement</u> Decision to pursue retirement on the grounds of ill-health	Director of Human Resources and Director of Finance	
w) <u>Dismissal</u>	Dismissing Officers	Disciplinary Procedures
19. Authorisation of New Drugs <ul style="list-style-type: none"> • Estimated total yearly cost up to £25,000 • Estimated total yearly cost above £25,000 	Service, Clinical & Support Directors and Chief Pharmacist Drugs Committee on advice from Chief Pharmacist and referred to Executive Director for approval.	SFI's Section 9
20. Authorisation of Sponsorship deals	Chief Executive, Medical Director, Ethics/Governance Committee	SFIs Section 6.2 Managing conflict of interest in the NHS policy
21. Authorisation of Research Projects	Service, Clinical & Support Directors & Chairman of Research Committee; Director of Research	
22. Authorisation of Clinical Trials	Ethics/Governance Committee, Service, Clinical & Support Directors, Medical Director & Deputy Chief Executive	
23. Insurance Policies and Risk Management	Executive Director of Finance with advice from the Executive Director responsible for Risk Management.	SFIs Section 20
24. Patients & Relatives Complaints <ul style="list-style-type: none"> a) Overall responsibility for ensuring that all complaints are dealt with effectively. b) Responsibility for ensuring complaints relating to a directorate are investigated thoroughly. c) Medico – Legal Complaints – Co-ordination of their management. 	Chief Executive and Deputy Chief Executive Service, Clinical & Support Directors Deputy Chief Executive	
25. Relationships with Press		

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
a) Non-Emergency General Enquiries <ul style="list-style-type: none"> • Within Hours • Outside Hours b) Emergency <ul style="list-style-type: none"> • Within Hours • Outside Hours 	Chief Executive or nominated Deputy Executive Director Chief Executive or nominated Deputy Executive Director	
26. Infectious Diseases & Notifiable Outbreaks	Director of Infection Control (Chief Nurse)	
27. Extended Role Activities Approval of Nurses to undertake duties / procedures which can properly be described as beyond the normal scope of Nursing Practice.	Chief Executive/Deputy Chief Executive and Chief Nurse.	Nurse/Midwives/Health Visitors Act Midwives Rules/Code of Practice UKCC Code of Professional Conduct
28. Patient Services a) Variation of clinic sessions within existing numbers <ul style="list-style-type: none"> • Outpatients • Day Patients • Other b) All proposed changes in bed allocation and use <ul style="list-style-type: none"> • Temporary Change • Permanent Change • Contract monitoring & reporting 	Service, Clinical & Support Directors Chief Executive Chief Executive Director of Finance	
29. Facilities for staff not employed by the Trust to gain practical experience Professional Recognition, Honorary Contracts, & Insurance of Medical Staff. Work experience students.	Chief Executive Service, Clinical & Support Directors	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
30. Review of fire precautions	Director of Facilities in conjunction with Deputy Chief Executive	
31. Review of all statutory compliance legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations	Director of Facilities and Deputy Chief Executive	
32. Review of Medicines Inspectorate Regulations	Medical Director	
33. Review of compliance with environmental regulations, for example those relating to clean air & waste disposal	Director of Facilities and Head of Procurement	
34. Review of Trust's compliance with the Data Protection Act	Deputy Chief Executive	
35. Monitor proposals for contractual arrangements between the Trust and outside bodies	Executive Director of Finance	
36. Review the Trust's compliance with the Access to Records Act	Deputy Chief Executive	
37. Review of the Trust's compliance code of Practice for handling confidential information in the contracting environment and the compliance with "safe haven" per EL(92)60	Deputy Chief Executive	
38. The keeping of a Declaration of Interests Register	Chief Executive	SOs Section 6
39. Attestation of sealings in accordance with Standing Orders	Chairman/Chief Executive	SOs Section 12
40. The keeping of a register of Sealings	Trust Custodian of the Seal	SOs Section 12

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE DOCUMENTS
41. The keeping of the Hospitality Register	Chief Executive or delegated officer acting as Trust Corporate Secretary	SFI Section 9.2(6)(d)
42. Retention of Records per NHS Records Management Code of Practice	Chief Executive/Deputy Chief Executive	SFIs Section 19

SECTION C - STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

1.1 General

- (1) These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the Trust, its Directors and Officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs).
- (2) These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with the requirements of the Independent Regulator in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust. The Independent Regulator for Foundation Trusts is NHS Improvement, who like the Secretary of State for Health, reports directly to Parliament.
- (3) These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance. Examples of Trading Units, although not autonomous from the Trust, include the staffing element provided by the Trust to Housing Association Schemes.
- (4) Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- (5) **The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.**
- (6) **Overriding Standing Financial Instructions** – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit and Risk Committee for referring action or ratification. All Directors of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.

1.2 Responsibilities and delegation

(1) The Trust Board

The Board exercises financial supervision and control by:

- (a) formulating the financial strategy;
- (b) requiring the submission and approval of budgets within approved allocations/overall income;

- (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
- (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.

The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Schedule of Decisions Reserved to the Board. All other powers have been delegated to such other committees as the Trust has established.

(2) **The Chief Executive and Director of Finance**

The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accounting Officer, to the Independent Regulator, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities; is responsible to the Chair and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

It is a duty of the Chief Executive to ensure that Directors and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

(3) **The Director of Finance**

The Director of Finance is responsible for:

- (a) implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- (b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- (c) ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;

and, without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the Director of Finance include:

- (d) the provision of financial advice to other Directors and employees;
- (e) the design, implementation and supervision of systems of internal financial control;
- (f) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

(4) **Directors and Employees**

All Directors and employees, severally and collectively, are responsible for:

- (a) the security of the property of the Trust;
- (b) avoiding loss;

- (c) exercising economy and efficiency in the use of resources;
- (d) conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures, Scheme of Delegation, the Constitution and Terms of Authorisation.

(5) **Contractors and their Employees**

Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

For all Directors and any employees who carry out a financial function, the form in which financial records are kept and the manner in which Directors and employees discharge their duties must be to the satisfaction of the Director of Finance.

2. **AUDIT**

2.1 **Audit and Risk Committee**

- (1) In accordance with Standing Orders, the Constitution, the 2006 Act (and as set out in the Audit Code for NHS Foundation Trusts, issued by the Independent Regulator) the Board shall formally establish an Audit and Risk Committee, with clearly defined terms of reference,
 - (a) monitoring the integrity of the financial statements, assisting the board of directors in its oversight of risk management and the effectiveness of internal control, oversight of compliance with corporate governance standards and matters relating to the external and internal audit functions.;
 - (b) Providing the Board of Directors with a means of independent and objective review of financial and corporate governance, assurance process and risk management.
 - (c) authorised by the Board of Directors to investigate any activity within its terms of reference
 - (d) Is authorised by the Board of Directors to obtain outside legal or other independent professional advice.
 - (e) Is authorised to request the attendance of individuals and authorities from outside the FT with relevant experience and expertise if it considers necessary or expedient to the carrying out of its function
- (2) The Audit and Risk Committee will provide an independent and objective view of internal control by:
 - (a) reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
 - (b) monitoring compliance with Standing Orders and Standing Financial Instructions;
 - (c) reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly.
- (3) Where the Audit and Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that

the Committee wishes to raise, the Chair of the Audit and Risk Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Independent Regulator (but to the Director of Finance in the first instance).

- (4) It is the responsibility of the Director of Finance to ensure an adequate Internal Audit service is provided and the Audit and Risk Committee shall be involved in the selection process when/if an Internal Audit service provider is changed.
- (5) Further detail on the role, responsibility and powers of the Audit and Risk Committee are contained in its Terms of Reference.

2.2 **Director of Finance**

- (1) The Director of Finance is responsible for:
 - (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
 - (b) ensuring that the Internal Audit is adequate and meets the Government standards and any guidance given by the Independent Regulator as to the standards, practices and techniques to be adopted;
 - (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
 - (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit and Risk Committee. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) strategic audit plan covering the coming three years;
 - (vi) a detailed plan for the coming year.
- (2) The Director of Finance or designated auditors are entitled without necessarily giving prior notice to require and receive:
 - (a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
 - (b) access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
 - (c) the production of any cash, stores or other property of the Trust under a member of the Board and an employee's control; and
 - (d) explanations concerning any matter under investigation.

2.3 **Role of Internal Audit**

- (1) Internal Audit will review, appraise and report upon:
 - (a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
 - (b) the adequacy and application of financial and other related management controls;
 - (c) the suitability of financial and other related management data;
 - (d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - (i) fraud and other offences;
 - (ii) waste, extravagance, inefficient administration;
 - (iii) poor value for money or other causes.
 - (e) Internal Audit shall also independently verify the Assurance Statements in accordance with guidance from the Department of Health (as applicable to NHS Foundation Trusts) and the Independent Regulator.
- (2) Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.
- (3) The Chief Internal Auditor will normally attend Audit and Risk Committee meetings and has a right of access to all Audit and Risk Committee members, the Chair and Chief Executive of the Trust.
- (4) The Chief Internal Auditor shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit and Risk Committee and the Chief Internal Auditor. The agreement shall be in writing and shall have regard to the guidance on reporting contained in the Audit Code for NHS Foundation Trusts, NHS Foundation Trust Reporting Manual and the NHS Foundation Trust Accounting Officer Memorandum and the reporting system shall be reviewed at least every three years.

2.4 **External Audit**

- (1) The External Auditor is appointed by the Council of Governors at a general meeting of the Council of Governors and paid for by the Trust. The Audit and Risk Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the Regulator if the issue cannot be resolved. The Council of Governors could terminate the Contract and appoint other External Auditors to fulfill the role. This would be discussed and agreed between the Audit and Risk Committee and the Council of Governors.
- (2) The Trust will seek to ensure that the External Auditor appointed by the Council of Governors meets the criteria included by the Independent Regulator within the Audit Code for NHS Foundation Trusts at the date of appointment and on an on-going basis throughout the term of the appointment.
- (3) The Trust will provide the External Auditor with any facility and all information he may require for the purposes of the 2006 Act.

2.5 **Fraud and Corruption**

- (1) In line with their responsibilities, the Trust Chief Executive and Director of Finance shall monitor and ensure compliance with best practice guidance issued by the Secretary of State for Health on fraud and corruption.
- (2) The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health Fraud and Corruption Manual and guidance.
- (3) The Local Counter Fraud Specialist shall report to the Trust Director of Finance and shall work with staff in NHS Protect and the Regional Counter Fraud and Security Management Services (CFSMS) in accordance with the Department of Health Fraud and Corruption Manual.
- (4) The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

2.6 **Security Management**

- (1) In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with best practice guidance issued by the Secretary of State for Health on NHS security management.
- (2) The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS security management.
- (3) The Trust shall nominate a Non-Executive Director to be responsible to the Board for NHS security management.
- (4) The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Security Management Director (SMD) and the appointed Local Security Management Specialist (LSMS).
- (5) Per the NHS Standard Contract General Condition 6.4, the trust's LCFS, LMSM, a person nominated to act on their behalf, or a person nominated to act on NHS Counter Fraud Authority behalf will review the trust's anti-fraud and security management provisions put in place by the trust.

3. **ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

3.1 **Preparation and Approval of Plans and Budgets**

- (1) The Chief Executive will compile and submit to the Board an Annual Plan which takes into account financial targets and forecast limits of available resources. The Annual Plan will contain:
 - (a) a statement of the significant assumptions on which the plan is based;
 - (b) details of major changes in workload, delivery of services or resources required to achieve the plan.
- (2) The Trust will give information as to its forward planning in respect of each financial year to the Independent Regulator. This information will be prepared by the Directors who must have regard to the views of the Council of Governors.

- (3) Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:
 - (a) be in accordance with the aims and objectives set out in the Annual Plan;
 - (b) accord with workload and manpower plans;
 - (c) be produced following discussion with appropriate budget holders;
 - (d) identify potential risks.
- (4) The Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board.
- (5) All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled.
- (6) All budget holders will agree to their allocated budgets at the commencement of each financial year. This will normally be done via the budget meetings held with Service Directors.
- (7) The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

3.2 Budgetary Delegation

- (1) The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
 - (a) the amount of the budget;
 - (b) the purpose(s) of each budget heading;
 - (c) individual and group responsibilities;
 - (d) authority to exercise virement;
 - (e) achievement of planned levels of service;
 - (f) the provision of regular reports.
- (2) The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- (3) Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- (4) Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.

3.3 Budgetary Control and Reporting

- (1) The Director of Finance will devise and maintain systems of budgetary control. These will include:
 - (a) monthly financial reports to the Board in a form approved by the Board containing:

- (i) income and expenditure to date showing trends and forecast year-end position;
 - (ii) movements in working capital;
 - (iii) Movements in cash and capital;
 - (iv) capital project spend and projected outturn against plan;
 - (v) explanations of any material variances from plan;
 - (vi) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
 - (c) investigation and reporting of variances from financial, workload and manpower budgets;
 - (d) monitoring of management action to correct variances; and
 - (e) arrangements for the authorisation of budget transfers.
- (2) Each budget holder is responsible for ensuring that:
- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
 - (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
 - (c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.
- (3) The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Plan.

3.4 **Capital Expenditure**

- (1) The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 12).

3.5 **Monitoring Returns**

- (1) The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

4. ANNUAL ACCOUNTS AND REPORTS

- 4.1 The Director of Finance, on behalf of the Trust, will:

- (a) keep accounts and, in respect of each financial year, prepare annual accounts in such form as the Independent Regulator may, with the approval of HM Treasury, direct;
- (b) ensure that in preparing annual accounts the Trust complies with any directions given by the Independent Regulator with the approval of HM Treasury, as to:
 - (i) the methods and principles according to which the accounts are prepared;
 - (ii) the information to be given in the accounts;
- (c) ensure that a copy of the annual accounts and any report to the External Auditor on them are laid before Parliament and that following this copies of those documents are sent to the Independent Regulator.

4.2 The Trust's annual accounts must be audited by an external auditor. The Trust's audited annual accounts must be presented to the Board of Directors for approval and received by the Council of Governors at a public meeting.

4.3 In accordance with Schedule 7 (paragraph 26) of the 2006 Act, the Trust will also prepare an annual report which, after approval by the Board, will be presented to the Council of Governors. It will then be published and made available to the public and also submitted to the Regulator. The annual report will comply with the Regulator's Annual Report Guidance for NHS Foundation Trusts and will include, inter alia:

- (i) information on the steps taken by the Trust to ensure that the actual membership of the various constituencies (public, patients and staff) is representative of those eligible for such membership;
- (ii) the Annual Accounts of the Trust in full or summary form;
- (iii) details of relevant directorships and other significant interests held by Board members;
- (iv) composition of the Audit and Risk Committee and the Remuneration & Nominations Committee;
- (v) remuneration of the Chair, the Non-Executive Directors and Executive Directors, on the same basis as those specified in the Companies Act;
- (vi) a statement of assurance by the Chief Executive in respect of organizational controls and risk management within the Trust per current DoHSC/NHSI guidance;
- (vii) any other information required by the Independent Regulator.

5. BANK AND GBS ACCOUNTS (Government Banking Services)

5.1 General

- (1) The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance issued from time to time by the Independent Regulator and have regard to that issued by the Department of Health. [In line with 'Cash Management in the NHS Trusts should ensure that cash in accounts is properly controlled, regularly reviewed and follows a "safe harboring" policy.
- (2) The Board shall approve the banking arrangements.

5.2 **Bank and GBS Accounts**

- (1) The Director of Finance is responsible for:
 - (a) bank accounts and Office of the Government Banking Services (GBS) accounts;
 - (b) establishing separate bank accounts for the Trust's non-exchequer funds;
 - (c) ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
 - (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn and regularly reviewing the Trust's working capital facility;
 - (e) monitoring compliance with DH guidance on the level of cleared funds.

7.3 **Third Party Bank Accounts**

- (1) Where the Trust operates Third Party bank accounts for the management of Residents Finances, or other appropriate, designated purposes approved by the Board then the Director of Finance is responsible for:
 - (a) establishing third party bank accounts on the approval of the Board ;
 - (b) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
 - (c) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn;
 - (e) monitoring compliance with DH and NHSI guidance in respect of third party accounts.

5.4 **Banking Procedures**

- (1) The Director of Finance will prepare detailed instructions on the operation of all bank and GBS accounts which must include:
 - (a) the conditions under which each bank and GBS account is to be operated;
 - (b) those authorised to sign cheques or other orders drawn on the Trust's accounts.
- (2) The Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.

5.4 **Tendering and Review**

- (1) The Director of Finance will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.
- (2) Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board. This review is not necessary for GBS accounts.

6. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

6.1 Income Systems

- (1) The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- (2) The Director of Finance is also responsible for the prompt banking of all monies received.
- (3) The Trust may carry on activities for the purposes of making additional income available in order to better carry out the Trust's principal purpose under the 2006 Act, subject to any restrictions in its Terms of Authorisation.

6.2 Fees and Charges

- (1) The Trust shall follow the regulatory approved costing guidance, including the Department of Health Reference Costs Guidance in setting prices for NHS service agreements.
- (2) The trust shall follow appropriate regulatory guidance for setting prices for non-NHS service agreements. The trust's "Non-NHS Income Policy" refers.
- (3) The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the NHS Commercial Sponsorship – Ethical standards in the NHS shall be followed. Where private patient income is considered, the trust's Non-NHS Income Policy should be followed.
- (4) All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.
- (5) If services are to be provided by the trust and undertaken without a written contract, it should be explicitly agreed, before the work commences, with the Chief Executive and the Director of Finance.

6.3 Debt Recovery

- (1) The Director of Finance is responsible for the appropriate recovery action on all outstanding accounts receivable.
- (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"
- (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.
- (4) The trust's "Income Collection Policy" and procedures should be adhered to in raising, monitoring and collection of debt.

6.4 Security of Cash, Cheques and other Negotiable Instruments

- (1) The Director of Finance is responsible for:
 - (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - (b) ordering and securely controlling any such stationery;
 - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
 - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- (2) Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- (3) All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- (4) The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

7. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES

7.1 The NHS Standard Contract

The Health and Social Care Act 2012 introduced significant changes to the NHS. The NHS is open to any appropriate provider entering a contract with a commissioning body and, if awarded a contract, to deliver those services. All providers will be managed via the Standard Commissioning Contract, rather than via Secretary of State Directions as was previously the case.

The NHS Standard Contract is published by NHS England. <https://www.england.nhs.uk/nhs-standard-contract/16-17/> for use by commissioners for all contracts for healthcare services other than primary care.

Medical Services Contracts

Primary Care Services are commissioned by NHS England under the guidance outlined in the NHSE Policy Book for Primary Medical Services, and via GMS (General Medical Services, PMS (Personal Medical Services) and APMS, (Alternative Personal Medical Services) contracts. Current NHS guidance is at: <https://www.england.nhs.uk/medical/>

- 7.2 The Chief Executive, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable legally binding contracts with service commissioners for the provision of NHS services, GP Primary Care Services and Local Authority delegated services and shall nominate officers with power to negotiate with commissioners for the provision of healthcare and related services.

All legally binding contracts should aim to implement the agreed priorities contained within the Annual Plan or Local Authority requirements and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;

- the relevant national service framework (if any) and Local Authority requirements for social care;
- the provision of reliable information on cost and volume of services;
- the NHS National Performance Assessment Framework;
- that contracts build where appropriate on existing Joint Investment Plans;
- that contracts are based on integrated health and social care pathways;
- the level of funding available to provide services, and the associated business risks.

7.3 **Involving Partners and jointly managing risk**

A good contract will result from a dialogue of clinicians, practitioners, users, carers, public health and social care professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

Performance Management of partnership agreements will be undertaken by the Deputy Chief Executive in conjunction with the Chief Executive on a regular basis. Times and dates of these performance meetings will be agreed at the beginning of each financial year.

7.4 **Reports to Board on Health and Social Care Contracts**

The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the contracts. This will include information on costing arrangements, which increasingly should be based upon nationally recognized or mandated cost objects (i.e. Care Pathways & Packages (CPP) or Healthcare Resource Groups (HRGs)). Where cost objects are unavailable for specific services, all parties should agree a common currency for application across the range of contracts.

The contract for the Local Authority Services will also require an agreement on a common currency which will be monitored through the Performance Management frameworks identified in 7.2 above.

8. TERMS OF SERVICE, ALLOWANCES & PAYMENT OF MEMBERS OF THE TRUST BOARD & EXECUTIVE DIRECTORS' GROUP & EMPLOYEES

8.1 **Remuneration and Terms of Service**

(1) In accordance with Standing Orders (see Constitution, Annex 8 - Standing Orders for Board, Section 5.8), the Constitution and the 2006 Act, the Board shall establish a Remuneration & Nominations Committee consisting of Non-Executive Directors to decide the remunerations and allowances and the other terms of office of the Executive Directors, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

(2) The Committee:

- (a) Is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercising of its function
 - (b) Will regularly review the structure, size and composition of the Board making use of the output of the Board evaluation process as appropriate, and make recommendations to the Board, and Nomination Committee of the Council of Governors, as applicable, with regard to any changes.
 - (c) Give full consideration to and make plans for succession planning for the Chief Executive and other Executive Board of Directors.
- (3) The Committee will:
- (a) advise the Board about appropriate remuneration and terms of service for the Chief Executive and Executive Directors employed by the Trust including:
 - (i) all aspects of salary (including any performance-related elements/bonuses);
 - (ii) provisions for other benefits, including pensions and cars;
 - (iii) arrangements for termination of employment and other contractual terms;
 - (b) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- (4) The Committee shall report in writing to the Board the basis for its decisions. The Board receive decisions of the Remuneration and Nominations Committee appointed in accordance with the Regulatory Framework to appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.6). Minutes of the Board's meetings should record such decisions.
- (5) The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and Directors (excluding Non-Executive Directors) not covered by the Committee.
- (6) The Trust will pay allowances to the Chair and Non-Executive Directors in accordance with all relevant guidance.
- (7) Full details of the responsibilities of the Remuneration and Nomination Committee is outlined in its Terms of Reference.

8.2 Funded Establishment

- (1) The manpower plans incorporated within the annual budget will form the funded establishment.
- (2) The funded establishment of any department may not be varied without the approval of the Director of Finance.

8.3 Staff Appointments

- (1) No Officer or Director or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration if:

- (a) outside the policy agreed between the Director of Finance and Associate Director of Human Resources; unless
 - (b) within the limit of their approved budget and funded establishment.
- (2) The Board will approve procedures presented by the Chief Executive/Associate Director of Human Resources for the determination of commencing pay rates, condition of service, etc, for employees.

8.4 **Processing Payroll**

- (1) The Associate Director of Human Resources is responsible for:
- (a) specifying timetables for submission of properly authorised time records and other notifications;
 - (b) specifying the procedure for travel and subsistence expenses claims and maintenance of the expenses claims policy and procedures
 - (c) the final determination of pay and allowances;
 - (d) making payment on agreed dates;
 - (e) agreeing method of payment.
 - (f) issuing instructions with regard to payroll or pensions.
- (2) The Director of Finance in conjunction with the Director of Human Resources will issue instructions regarding:
- (a) verification and documentation of data;
 - (b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
 - (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
 - (d) security and confidentiality of payroll information;
 - (e) checks to be applied to completed payroll before and after payment;
 - (f) authority to release payroll data under the provisions of the Data Protection Act;
 - (g) methods of payment available to various categories of employee and officers;
 - (h) procedures for payment by cheque, bank credit, or cash to employees and officers;
 - (i) procedures for the recall of cheques and bank credits;
 - (j) pay advances and their recovery;
 - (k) maintenance of regular and independent reconciliation of pay control accounts;
 - (l) separation of duties of preparing records and handling cash;
 - (m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

- (3) Appropriately nominated managers have delegated responsibility for:
- (a) submitting time records, and other notifications in accordance with agreed timetables;
 - (b) completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;
 - (c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.
- (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.
- (5) Regardless of the arrangements for providing the payroll service, the Director of Finance and Associate Director of Human Resources shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

8.5 **Contracts of Employment**

- (1) The Board shall delegate responsibility to the Director of Human Resources for:
- (a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation;
 - (b) dealing with variations to, or termination of, contracts of employment.

9. NON-PAY EXPENDITURE

9.1 **Delegation of Authority**

- (1) The Board will approve the level of non-pay expenditure on an annual basis and the Director of Finance will determine the level of delegation to budget managers.
- (2) The Director of Finance will set out:
- (a) the list of managers who are authorised to place requisitions for the supply of goods and services;
 - (b) the maximum level of each requisition and the system for authorisation above that level.
- (3) The Chief Executive/Director of Finance shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

9.2 **Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services**

(1) **Requisitioning**

- a) The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) shall be consulted.
- b) In most cases the Trust's advisor on supply is considered the Procurement department. Exceptions being:
- Those with delegated authority in the Pharmacy department, as specified by the Chief Pharmacist for this purpose, shall be considered to be the Trust's advisor on supply of Pharmaceuticals. However, the Trust's advisor on supply, responsible for raising the order with the company should *not* also be an authorized signatory, as separate approval for the spend should be obtained on the Requisition from the authorizing budget manager concerned.
 - Those with delegated authority in the Estates department, as specified by the Head of Estates for this purpose, shall be considered to be the Trust's advisor on supply in respect of particular types of 'Works' orders. However, the Trust's advisor on supply, responsible for raising the order with the company should *not* also be an authorized signatory, as separate approval for the spend should be obtained on the Requisition from the authorizing budget manager concerned.
- c) The following are exceptions and do not require advice from the Trust's advisor on supply to be sought. However, payments should be authorised by the budget manager as per delegated limits.
- Governors expenses claims.
 - Ex-gratia payments to Service Users / Staff under the Losses and Special Payments policy
 - 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
 - Payroll deduction payments (for example to Unison, Westfield, Salary Sacrifice Providers etc.
 - Litigation payments under NHS Resolution direction
 - Supply Chain Coordination Limited payments
 - HMRC payroll pay-overs (Superannuation etc.)
 - Charity Trust Fund recharges
 - Utility charges (Gas, Water, Telephony, Electricity)
- g) Where the Trust's advisor of supply is approached by a requisitioner to purchase an item from a particular supplier specifically for another organization, the Trust's Advisor on supply shall reassure themselves that appropriate due diligence has been followed by the ordering body prior to raising the order for the goods. This will require obtaining evidence and sign off from the other organisation that the ordering organization has followed quotation and tendering processes where expected. Evidence should be retained in the same way internal requisitions are retained, as evidence of approval of expenditure under delegated limits.

(2) **System of Payment and Payment Verification**

The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with standard minimum payment terms of 30 days and all contracts should be agreed with these terms as a minimum, unless other national guidance takes precedent. Contracts can only be agreed with payment terms less than 30 days with the approval of the Director of Finance or delegated deputy. A register of those arrangements approved outside 30 days will be maintained.

- (3) The Director of Finance will:
- (a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
 - (b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
 - (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: 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.
 - (d) Approve any contracts with payment terms exceeding 30 days after due consideration of the impact of alternative terms on working capital and cashflow.
 - (e) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - (i) a list of Board employees (including specimens of their signatures) authorised to certify invoices.
 - (ii) certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct;
 - the account is in order for payment.
 - (iii) a timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;
 - (iv) instructions to employees regarding the handling and payment of accounts within the Finance Department;
 - (f) where pre-payments are required to secure a booking (e.g. course fee/travel tickets) these should be made in accordance with procedures set out by the Director of Finance.

(4) **Prepayments**

Prepayments are only permitted where exceptional circumstances apply. In such instances:

- (a) For the purpose of this guidance pre-payments are those instances where goods or services are paid for more than 1 month before full receipt of the goods or services. Examples include pre-paying maintenance contracts over 3 years to secure a level of service at a good price. The only exceptions are instances of pre-booking travel (train tickets) or training courses that cost less than £1,000. In these cases the requirements outlined in “b and e” below do not apply, though point “f” still does.
- (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.
- (c) The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase and the outcome of the review highlighted in (a) above. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (d) The Head of Procurement will undertake a credit check on all Suppliers to which prepayments are being considered.
- (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);
- (f) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

(5) **Official Orders**

Official Orders must:

- (a) be consecutively numbered;
- (b) be in a form approved by the Director of Finance;
- (c) state the Trust's terms and conditions of trade;
- (d) only be issued to, and used by, those duly authorised by the Chief Executive.

(6) **Duties of Managers and Officers**

Managers and officers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

- (a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made and authorised in accordance with the Scheme of Delegation;

- (b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- (c) where consultancy advice is being obtained, the Trust will have regard in the procurement of such advice to any guidance issued by the Independent Regulator and to the Trusts own requirement to obtain Executive approval for Consultancy spend over £50,000 (inc VAT) and the Trust's own Employment of Self-Employed Contractors (Procurement) Policy;
- (d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
- (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - (ii) conventional hospitality, such as lunches in the course of working visits;
- (e) no requisition or official order shall be placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) The Trust operates on a "no PO no Payment" policy. All goods, services, or works are ordered on an official order from Integra and JAC except:
- 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.
 - 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
 - Payroll deduction payments (for example to Unison, Westfield, Salary Sacrifice providers etc.)
 - Litigation payments under NHS Resolution's 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.
- (g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;

- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
 - (j) changes to the list of employees and officers authorised to certify invoices are notified to the Director of Finance;
 - (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
 - (l) petty cash records are maintained in a form as determined by the Director of Finance.
 - (m) loans to staff or service users or otherwise are not permitted, the only exception being those pay advances approved via the Salary Advances (due to Hardship) Policy.
- (7) The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions have regard to the guidance contained within "The efficient management of healthcare estates and facilities (HBN 00-08)". The technical audit of these contracts shall be the responsibility of the relevant Director.

9.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order No. 14.4)

- (1) Not used.

10. EXTERNAL BORROWING

10.1

- (1) The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, based on the financial plan. The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- (2) The Board will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Director of Finance. The Working Capital Facility – External Borrowing Policy approved by the Board of Directors and the provisions within this must be complied with.
- (3) The Director of Finance must prepare detailed procedural instructions concerning applications for loans, overdrafts and new borrowings which comply with the instructions issued by the Independent Regulator from time to time.
- (4) All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with any applicable guidance from the Independent Regulator and have due regard to the latest guidance from the Department of Health.
- (5) Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Director of Finance. The Board must be made aware of all short term borrowings at the next Board meeting.
- (6) All long-term borrowing must be consistent with the plans outlined in the current Annual Plan and be approved by the Board of Directors.
- (7) Assets protected under the Terms of Authorisation shall not be used or allocated for borrowing; non-protected assets will be eligible as security for loans.

10.2 INVESTMENTS

Details are contained within the Treasury Management Policy and must be complied with at all times.

- (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 Harbor” 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.
- (2) 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 of Finance and/or the Deputy Director of Finance accordingly.
- (3) The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- (4) 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”
- (5) 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

11. FINANCIAL FRAMEWORK

The Director of Finance should ensure that members of the Board are aware of the Financial Framework. This document contains directions which the Trust must follow. The Director of Finance should also ensure that the direction and guidance in the framework is followed by the Trust.

The Trust is required to meet such financial targets as are specified by the Regulator, either under the terms of the initial Authorisation agreement or subsequently. These specifically include the requirement to:-

Restrict income from private patient charges in any year, as a proportion of the Trust's total income for that year, to the percentage specified in the Authorisation agreement.

Whilst there is no specific target regulating overall revenue performance in Foundation Trusts (e.g. a requirement to break-even year on year), the Regulator has the power to intervene in the Trust's affairs and potentially to revoke its Authorisation agreement where financial viability is seriously compromised.

The Chief Executive has overall responsibility for the Trust's activities and in this capacity is responsible for ensuring that the Trust maintains its financial viability and meets any specific financial targets set by the Regulator. In this capacity the Chief Executive is responsible for setting appropriate internal targets in order to ensure financial viability.

This also relates to all Partnership Agreements in place.

12. CAPITAL INVESTMENT, PRIVATE FINANCING, NON CURRENT ASSET REGISTERS AND SECURITY OF ASSETS

12.1 Capital Investment

- (1) The Chief Executive:
 - (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
 - (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - (c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.

 - (2) For every capital expenditure proposal the Director of Finance shall ensure:
 - (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:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) the involvement of appropriate Trust personnel and external agencies;
 - (ii) appropriate project management and control arrangements;
 - (b) that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

 - (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).

 - (4) The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.

 - (5) The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

 - (6) The approval of a capital programme shall not constitute approval for expenditure on any scheme.

The Chief Executive shall issue to the manager responsible for any scheme:

 - (a) specific authority to commit expenditure;
 - (b) authority to proceed to tender;
 - (c) approval to accept a successful tender.
-

The Director of Finance will issue a scheme of delegation for capital investment management in accordance with "The efficient management of healthcare estates and facilities (HBN 00-08)" guidance (until such time as any guidance is issued by the Independent Regulator) and the Trust's Standing Orders.

- (7) The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

12.2 Private Finance

- (1) The Trust should normally test for PFI when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:
 - (a) the Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector;
 - (b) the Board will consider the guidance "Roles and responsibilities in the approval of NHS foundation trust PFI schemes" (Gateway Reference 8430) issued by the Independent Regulator and the Department of Health, the Independent Regulator's Compliance Framework, and any other Department of Health and/or HM Treasury requirements;
 - (c) the proposal must be specifically agreed by the Board.

12.3 Asset Registers

- (1) The Chief Executive is responsible for the maintenance of registers of non-current assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the non-current asset register to be conducted once a year.
- (2) Each Trust shall maintain an asset register recording property, plant and equipment and intangible assets in line with the guidance within "The Asset Register and disposal of assets: Guidance for providers of commissioner requested services" (Monitor 2014).
- (3) Additions to the property, plant and equipment register must be clearly identified to an appropriate budget holder and be validated by reference to:
 - (a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 - (b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
 - (c) lease agreements in respect of assets held under a finance lease and capitalised.
- (3A) The Trust shall maintain a publicly available property asset register recording protected property in accordance with the guidance issued by the Independent Regulator.
- (3B) The Trust may not dispose of any protected property assets without the approval of the Independent Regulator. This includes disposal of part of the property or granting an interest in it.

- (4) Where property, plant and equipment are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- (5) The Director of Finance shall approve procedures for reconciling balances on property, plant and equipment and intangible asset accounts in ledgers against balances on property, plant and equipment and intangible asset registers.
- (6) The value of each asset shall be depreciated using methods as determined by the Trust.
- (7) The Director of Finance of the Trust shall calculate and pay capital charges as specified by the Independent Regulator.

12.4 **Security of Assets**

- (1) The overall control of property, plant and equipment is the responsibility of the Chief Executive.
- (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:
 - (a) recording managerial responsibility for each asset;
 - (b) identification of additions and disposals;
 - (c) identification of all repairs and maintenance expenses;
 - (d) physical security of assets;
 - (e) periodic verification of the existence of, condition of, and title to, assets recorded;
 - (f) identification and reporting of all costs associated with the retention of an asset;
 - (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

The trust's Cashiering and Petty Cash Policy and accompanying procedures should be adhered to when administering, recording, approving, securing and/or monitoring cash and cheques.

- (3) All discrepancies revealed by verification of physical assets to property, plant and equipment register shall be notified to the Director of Finance.
- (4) Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- (5) Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- (6) Where practical, assets should be marked as Trust property.

13. STORES AND RECEIPT OF GOODS

13.1 General position

- (1) Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
 - (a) kept to a minimum;
 - (b) subjected to annual inventory take;
 - (c) valued at the lower of cost and net realisable value.

13.2 Control of Stores, Stocktaking, condemnations and disposal

- (1) Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any Pharmaceutical inventories shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- (2) The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, inventories should be marked as health service property.
- (3) The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- (4) Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- (5) Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- (6) The designated Manager/Chief Pharmacist shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 15 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete inventory shall follow the procedures set out for disposal of all surplus and obsolete goods.
- (7) The requirement for designated bodies to appoint a Controlled Drugs Accountable Officer (CDAO) was made in the 2007 Health act and has been reiterated in subsequent legislation. The CDAO must ensure that his designated body has adequate arrangements for the safe and legal management and use of controlled drugs throughout the organisation.
- (8) The Board is responsible for notification to the CQC of the name of the trust's Controlled Drugs Accountable Officer (CDAO), and that s/he is a "fit, proper and suitably experienced person" who does not "routinely supply, administer or dispose of controlled drugs as part of his or her duties."
- (9) The Controlled Drugs Accountable Officer (CDAO) is responsible for ensuring that the organisation is following adequate and up-to-date standard operating procedures

for the management and control of controlled drugs, and that appropriate arrangements for monitoring and auditing the management and use of controlled drugs are in place. The trust's CDAO is usually the Chief Pharmacist. Current SHSC CDAO details are logged with the CQC.

13.3 Goods supplied by Supply Chain Coordination Limited or equivalent organisation

- (1) For goods supplied via the Supply Chain Coordination Limited (or equivalent organisation) central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance who shall satisfy himself that the goods have been received before accepting the recharge.

14. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

14.1 Disposals and Condemnations

(1) Procedures

The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers. The Trust may not dispose of any protected property without the approval of the Independent Regulator. These procedures will meet the requirements of the NHS guidance "The Asset Register and disposal of assets: Guidance for providers of commissioner requested services" (Monitor 2014).

- (2) When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

- (3) All unserviceable articles shall be:

- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;
- (b) recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.

- (4) The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

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.”

- (2) Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the relevant Local Counter Fraud Specialist (LCFS) and NHS Counter Fraud Authority regional team.

The Director of Finance must notify NHS Counter Fraud Authority, the External Auditor and the Independent Regulator of all frauds.

- (3) For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must immediately notify:

- (a) the trust’s Local Security Management Specialist (LSMS)
- (b) the Board; and
- (c) the External Auditor.

- (4) The Board shall approve the writing-off of losses.

- (5) The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust’s interests in bankruptcies and company liquidations.

- (6) For any loss, the Director of Finance should consider whether any insurance claim can be made.

- (7) The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.

- (8) [Not used]

- (9) All losses and special payments must be reported to the Audit and Risk Committee every six months. These payments are also monitored by the Finance, Information and Performance Committee.

15. INFORMATION TECHNOLOGY

15.1 Responsibilities and Duties of the Director of Finance

- (1) The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
 - (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
 - (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
 - (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
 - (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- (2) The Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.
- (3) The Director of Corporate Governance shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

15.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application

- (1) In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trust's in the Region wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance:
 - (a) details of the outline design of the system;
 - (b) in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

15.3 Contracts for Computer Services with other health bodies or outside agencies

The Director of Finance shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.

15.4 **Risk Assessment**

The Director of Finance shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

15.5 **Requirements for Computer Systems which have an impact on corporate financial systems**

Where computer systems have an impact on corporate financial systems the Director of Finance shall need to be satisfied that:

- (a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Director of Finance staff have access to such data;
- (d) such computer audit reviews as are considered necessary are being carried out.

16. PATIENTS' PROPERTY

16.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival. (see Service Users Property and Monies policy)

16.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:

- notices and information booklets; (**notices are subject to sensitivity guidance**)
- hospital admission documentation and property records;
- the oral advice of administrative and nursing staff responsible for admissions,

that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

16.3 The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

16.4 Where Independent Regulator and/or the Department of Health require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance.

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 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 administering 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”.

17. FUNDS HELD ON TRUST

- 17.1 Charitable Funds relating to the Trust are administered, managed and invested by the Sheffield Hospitals Charity in whose accounts the transactions are recorded.
- 17.2 The Trust will identify local fund managers responsible for the day to day administration of the funds and established delegated limits for committing expenditure.
- 17.3 All transactions relating to the use of Charitable Funds shall be in accordance with Sheffield Hospitals Charity Standing Orders; Standing Financial Instructions.

18. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 8 and SFI No. 9.2(6)(d))

The Director of Finance shall ensure that all staff are made aware of the Trust policy “Managing Conflicts of Interest in the NHS Policy” section 11 which deals with the acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 ‘Standards of Business Conduct for NHS Staff’ and is also deemed to be an

integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 8).

19. RETENTION OF RECORDS

- 19.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with the Records Management: NHS Code of Practice.
- 19.2 The records held in archives shall be capable of retrieval by authorised persons.
- 19.3 Records held in accordance with latest Records Management: NHS Code of Practice shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

20. RISK MANAGEMENT AND INSURANCE

20.1 Programme of Risk Management

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Independent Regulator requirements, which must be approved and monitored by the Board.

The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities;
- b) engendering among all levels of staff a positive attitude towards the control of risk;
- c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including; Internal Audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured;
- g) arrangements to review the Risk Management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make an Annual Governance Statement within the Annual Report and Accounts.

20.2 Insurance: Risk Pooling Schemes administered by NHS Resolutions

The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Resolutions or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

20.3 Insurance arrangements with commercial insurers

The Board shall determine, on an annual basis, whether additional insurance, such as commercial public and products liability, not covered by the Risk Pooling Schemes, is required and shall seek appropriate cover where necessary. Where such insurance is required, the cover shall be reviewed on an annual basis.

20.4 **Arrangements to be followed by the Board in agreeing Insurance cover**

- (1) Where the Board decides to use the risk pooling schemes administered by the NHS Resolutions the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
- (2) Where the Board decides not to use the risk pooling schemes administered by the NHS Resolutions for one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- (3) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Director of Finance should ensure documented procedures also cover the management of claims and payments below the 'deductible' in each case.

