

Policy:

FIN 011 Capital Programme Management

Executive or Associate Director Lead	Executive Director of Finance
Policy author/lead	Head of Financial Accounts
Feedback on Implementation to	Head of Financial Accounts

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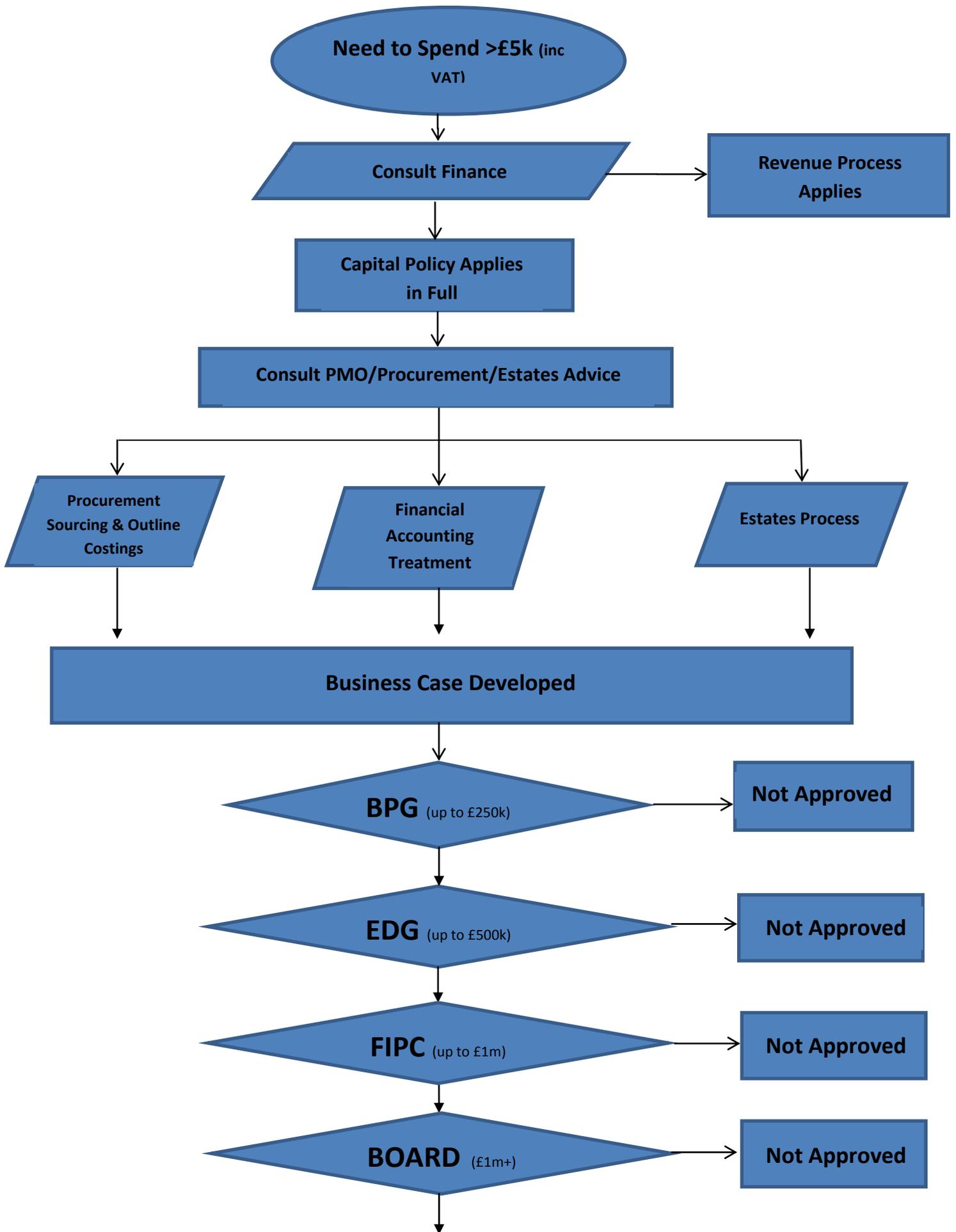
Target audience	Trust staff, the Board of Directors and Council of Governors.
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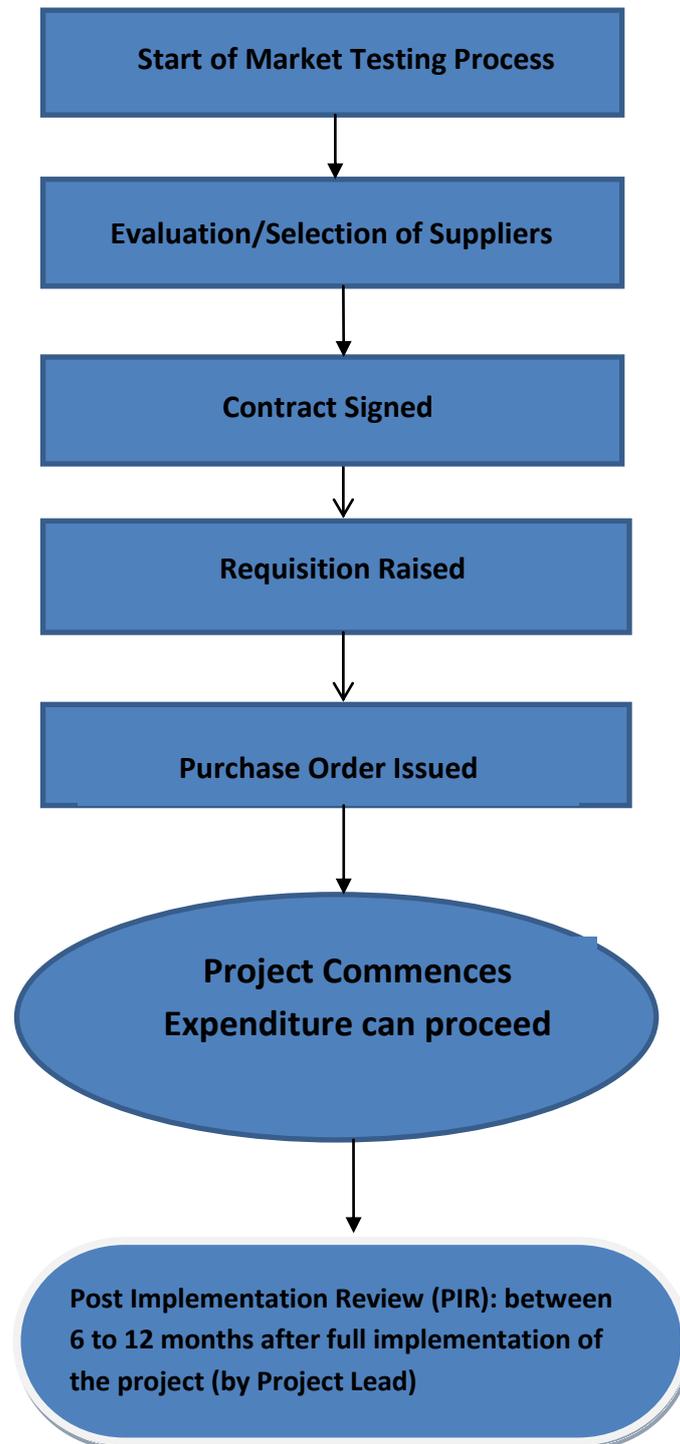
<p>Tracked changes</p> <p>Version 1.2: Previous 2006 version updated following consultation with the Capital Programme Management Policy Task and Finish Group (representatives from Divisional Finance, Procurement, Estates and Corporate Finance)</p> <p>Version 2: as per 2018 revision in line with current national NHS guidance and internal processes and procedures.</p>

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1 Introduction

- 1.1 The aim of this document is to provide guidance to all Sheffield Health and Social Care NHS Foundation Trust (SHSC) staff on the governance process to follow when committing over £5,000 (inc. VAT) of funds on the acquisition of land, buildings, and equipment with a life expectancy in excess of one year . Such expenditure is to be accounted for as Capital Spend.
- 1.2 This policy applies to all employees of SHSC, any staff who are seconded to SHSC, contract and agency staff who have delegated authority to requisition expenditure from Trust finances.

2 Scope

- 2.1 This policy covers the following:-
- The Capital Allocation Process
 - Project Management requirements
 - Required Governance process for procurement of items over £5,000
 - Market testing
- 2.2 Excluded from this policy are the following:-
- Detailed Project Management procedures – Please contact the “Project Management Office (PMO) for details.
 - Detailed procedures for Consultant engagement – Please refer to the Trust’s policies “Engagement and deployment of short term staffing policy” (HR), and “Engaging individual self-employed contractors policy” (Finance), available on intranet in the following link https://nww.xct.nhs.uk/index/widget.php?wdg=wdg_policies&letter=E
 - Detailed procedures for procurement – Please refer to the Trust’s Procurement Policy.

3 Definitions

Capital:	Expenditure on an item that costs over £5,000 to bring into use and is an asset that can be used for more than 1 year. Cost includes all costs necessary to bring the asset to working condition for its intended use. This would include not only its original purchase price but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site (see IAS 37 Provisions, Contingent Liabilities and Contingent Assets).
Market Testing:	Sourcing a supplier(s) through a competitive exercise (e.g. Procurement Framework mini-competition, Tender or Quotation).
VAT:	Value Added Tax. This element of cost could be either “recoverable” or “non-recoverable”, which is assessed as per NHS “Contracted Out Services” direction. If the VAT is “non-recoverable” then it is included in the capitalised value of the asset.

Asset: An asset is defined as a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity

Capital Charges: It's made of two parts; Depreciation/Amortisation and Interest at 3.5%

Depreciation and Amortisation are charged via "operating cost" in the profit and loss account, but it does not represent an actual cash outflow.

Interest is Payable to the Department of Health over the Trust's "Net Assets" at a rate of 3.5%, this is also known as "Public Dividend Capital" (PDC). This represent a "financing cost" in the profit and loss account and it is also an actual cash outflow to the Trust.

4 Purpose

The aim of this document is to provide guidance to all Sheffield Health and Social Care NHS Foundation Trust (SHSC) staff on the governance process to follow when committing over £5,000 of funds including VAT on the acquisition of land, buildings, and equipment with a life expectancy in excess of one year. Such expenditure is to be accounted for as Capital Spend

5 Duties

- 5.1 Management Accounts, on behalf of delegated budget holders and budget managers, are responsible for aiding budget managers in their decision making process via reference to this policy.
- 5.2 The Financial Accounts team are responsible for providing advice on Capital Expenditure, support on the development of Business Cases, and monitoring of Capital Spend. They are also responsible for preparing the trust's 5-year Capital plan and monitoring against including "capital charge" impact and wider revenue consequences of capital investment.
- 5.3 Delegated Budget Managers and Budget holders are responsible for following the guidelines within this policy when deciding how to meet a need that may require expenditure of capital funds, and for engaging in discussions with Procurement colleagues at the earliest opportunity.
- 5.4 The Procurement team are responsible for supporting the process of buying in goods that class as 'Capital' and advising budget managers of the process to follow in accordance with Trust Policies and, specifically, the Trust's Procurement Policy and Standing Financial Instructions. They are also responsible for sourcing the most appropriate route to market which will usually involve conducting market testing exercises (Procurement Framework mini-competitions, OJEU, quotations and/or tenders).
- 5.5 SHSC is committed to:
 - the achievement of the principles, values, rights, pledges and responsibilities detailed in the NHS Constitution, and
 - Ensuring they are taken account of in the production of its Policies, Procedures and Guidelines. This procedure supports the NHS Constitution by committing to use NHS resources responsibly and fairly and providing best value for taxpayer's money.

6 Capital Programme Management

6.1 Context

- 6.1.1 The Capital Programme Management Procedures document was originally produced to provide basic instructions to those involved in execution of capital projects within the Trust, from inception of the business case, through the management of the project to completion and post project evaluation.
- 6.1.2 The version in 2006 was an amalgam of three documents; Managing the Project; Procurement of Works and Appointing Consultants.
- 6.1.3 The section 'Managing the project' is the model for all future projects and sets the rules and manner in which the project will be carried out. Once set prior to the commencement of project this will limit the possibility of ad hoc changes or additions mid scheme and the need for unscheduled extra funding.
- 6.1.4 The detailed section on consultant appointments is excluded from this version of the policy, as the guidelines for consultant can be found under HR policies on the intranet, "Engagement and Deployment of short term staffing policy"
- 6.1.5 This update seeks to provide an overall policy in this regard, with users signposted to appropriate NHS procedures and guidance: for example; the "Green Book" appraisal and evaluation in central government and public sector using the five case model.: Relevant Public Procurement legislation and Trust procurement policies and procedures; local project management guidance and the NHS "Capital regime, investment and property business case approval guidance for NHS Trust and Foundation Trust"
- 6.1.6 This document sets out the procedures to be put in place to execute the projects which fall within the Trust's Block Capital Programme and is to be operated in conjunction with the Trust Statutory Orders and Standing Financial Instructions.

6.2 The Capital Allocation Process

- 6.2.1 Capital Investment Strategy: The investment strategy is an integral part of the Capital Programme Management Policy and it recognises the need for:
- Reinvestment to replace existing assets
 - Investment in new additional assets, and
 - An acknowledgment of the financial impact upon the Trust's revenue account (Profit & Loss)
 - Overall, investments that minimise the adverse financial impact on the Trust's revenue account will be favoured over those that have a greater adverse impact (assuming the same level of non-financial benefits).
 - The Trust has generally adopted a "risk averse" attitude historically in line with many other public sector organisations. This has been

endorsed by the need for proposed capital investments to be supported by robust business cases that are prepared and approved prior to the commitment of significant capital expenditure sums

6.2.2 Sources of Finance: the following are sources of capital available to the Trust in order of preference;

- Use of internally generated cash – unspent capital cash carried forward, depreciation, proceeds from sale of assets, I&E surplus.
- Grants/Donations – including from charitable sources
- Interest bearing loans – at National Loans Funds (NLF) equal instalments of principal (EIP); interest rates fixed at time loan agreement issued. Twice yearly repayments. Term of loan based on asset life.
- Central Public Dividend Capital (PDC) – Allocated for specific centrally funded projects. These may or may not require the use of all internally generated cash before drawing down. Normally only available to draw in the financial year agreed.
- 6.2.3 Leasing:
 - Leasing is often considered as an alternative to purchasing capital equipment, especially in the case of expensive medical equipment and buildings. There are complex rules and technical calculations associated with the possible use of leasing in the NHS, including the need for compliance with relevant International Financial Reporting Standards (IFRS).
 - There are two types of lease, Finance and Operating. Finance leases are those where the risks and rewards are substantially transferred to the lessee. Finance leases have an impact on the Trust's finance, as they are classified as sources of external finance and so count towards the External Financing Limit. Items leased under these arrangements are included on the Trust's Balance Sheet. They therefore attract capital charges in addition to lease costs. Operating Leases are treated as revenue expenditure and assets do not appear on the Trust's Balance Sheet.
 - There is not a definitive test of lease type and in determining the correct accounting treatment, the Trust will need to consider a range of factors. Specialised technical knowledge is needed to perform the test, so if lease options are being considered, the Trust's Capital Accountant must be consulted.
 - However, it is worth noting that changes to be introduced by "IFRS 16 Leases" in Jan-2019 will change the accounting treatment of leases; date of adoption by the NHS is yet to be confirmed.

- 6.2.3 The need may arise from time to time to spend capital funds on an item that costs more than £5,000 and:
- Results in the trust obtaining a new asset for use over more than one year; and
 - Increases the Trust's ability to generate income or to reduce existing costs
- 6.2.4 In such cases schemes over £5,000 (inc VAT) are classed as Capital Schemes. All schemes below £5,000 (inc VAT) must be funded from Revenue budgets.
- 6.2.5 The Capital Programme (Annual and 5-year plans) is developed in collaboration with Directorates and seeks to identify required capital expenditure for this and future years.
- 6.2.6 In order to aid accurate cash flow forecasting, Programme leads should make every effort to ensure that business cases are produced and approved at least 3 months prior to the commencement of the financial year in which they are taking place. Priority of fund allocation will be given to these projects over any other arriving later in the year (i.e. unplanned)
- 6.2.7 The most common types of expenditure that class as Capital expenditure are:
- Estates expenditure (New Builds/ lands, improvement projects)
 - Spend required to meet legislative requirements (Health and Safety/CQC)
 - Equipment purchases
 - IT equipment (Hardware/Software))
 - Vehicles
- 6.2.8 The Capital Plan is reviewed by the "Business Planning Group", the "Capital Board" and the "Finance, Investment & Performance Committee" and ratified by the "Executive Directors Group" and "Trust Board".
- 6.2.9 If a need is identified, a Business Case (Five case model) should be developed in collaboration with the stakeholders and always including Procurement and Finance colleagues early in the process to develop the specification and sourcing options.
- 6.2.10 If the proposal is for an Estates or IT scheme it must be developed in line with the Trust's Estates or IT Strategy respectively. Please contact the Director of Facilities Management/Director of IMST for further guidance.
- 6.3 Capital Charges
- 6.3.1 Whilst the capital charge revenue implications of capital Investments are not currently devolved to Service Line budgets, they do represent a real cost to the Trust and should be taken into consideration in investment appraisal.
- 6.3.2 There are two parts to capital charges, namely Depreciation/Amortisation and Cost of Capital (PDC). Depreciation is payable on assets from the start of the quarter following the quarter in which the asset first becomes available for use. The DoH provides guidance on asset lives. Depreciation affects Expenditure only, not cash flows

6.3.3 Cost of Capital is calculated as a rate of return of 3.5% on relevant net assets. It is also payable on “Assets Under Construction.” The Trust pays the Cost of Capital charge to the DoH as Public Dividend Capital (PDC) Dividends. This affects expenditure and cash flow

6.4 Valuation of Capital Assets

6.4.1 Fixed assets, Lands and Buildings are valued on its majority using the “Depreciated Replacement Cost” (DRC) method. DRC is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation”.

6.4.2 DRC is used where there is no active market for the asset being valued – that is where there is no useful or relevant evidence of recent sales transactions due to the specialised nature of the asset

6.4.3 For fixed assets of a non-specialised nature the basis of valuation is “Fair Value”, assuming on-going operational use. Fair Value is generally taking to be the “Market Value”.

6.4.4 Any other assets are valued at their historic cost less depreciation / amortisation. The exception to this are “intangible assets” which may be subject to a revaluation or impairment during its life.

6.4.5 Please refer to the Capital Accountant or Head of Financial Accounts for further advice.

6.5 Asset Register

6.5.1 In common with all NHS bodies, the Trust is required to maintain an Asset Register. This supports the annual accounts and is subject to audit by the Trust’s internal and external auditors. Further details are set out in the Trust’s Asset Management procedures. However, it is essential that information necessary for complete and accurate completion of the Asset Register is collected during the asset acquisition process.

6.5.2 All assets in the “Asset Register” are subject to an “asset verification” exercise. Failure to accurately record and identify assets could lead to capital assets recorded in the financial accounts to be mis-stated

6.5.3 Medical equipment and vehicles should be registered accurately with their exact location, number, make and model. Budget holders are responsible to support the verification of assets and their safe keeping. Medical equipment will also require to be asset marked and recorded on Facilities’ Planet FM system in accordance with the Trust’s Medical Devices Policy.

6.5.4 Disposal of assets should be carried out following the appropriate governance process under the “Asset Management Policy” (Finance).

6.5.5 As part of these procedures, Specialist advice must be obtained to confirm the disposal is appropriate and Procurement advice should be sought for

items which may have a residual commercial value in order to maximise resources for capital investment and its H&S, Information Governance and clinical risk of disposals. Once procedures have been complied with all disposals of capital assets are to be reported in advance to the Capital Accountant in writing (including by e-mail)

Project Management Requirements

6.2.11 All projects should apply appropriate Project Management techniques. At the very onset of the project please contact the "Project and Management Office" (PMO) via email PMO@shsc.nhs.uk for guidance.

The Trust's PMO will provide the Business Case templates and guidance which applies to Revenue and Capital Schemes. In the NHS, there is a range of guidance currently provided by NHS Improvement (formerly NHS England) known as "Capital regime, investment and property business case approval guidance for NHS Trust and Foundation Trust"; it is aimed to provide guidance to NHS organisations in terms of outlining a process to manage the development of Capital Schemes. NHS Improvement provides also with guidance on "Significant Transactions" where if projects meets the criteria then NHS Improvement's approval should be sought. The table below should aid but if in doubt seek advice from Finance (Head of Financial Accounts or Capital Accountant)

Table 1: Thresholds for reporting and detailed review

		Reporting requirements		Notes
Ratio	Description	Non-healthcare/ international	UK healthcare	
Assets	The gross assets subject to the transaction* divided by the gross assets of the foundation trust	>5%	>10%	Gross assets are the total of fixed assets and current assets
Income	The income attributable to the: <ul style="list-style-type: none"> • assets or • contract associated with the transaction* divided by the income of the foundation trust	>5%	>10%	None
Consideration to total foundation trust capital	The gross capital or consideration associated with the transaction* divided by the total capital of the foundation trust following completion, or the effects on the total capital of the foundation trust resulting from a transaction*	>5%	>10%	Gross capital equals the market value of the target's shares and debt securities, plus the excess of current liabilities over current assets Total capital of the capital of the foundation trust equals taxpayers' equity

* For the purposes of this capital guidance, transactions cover capital and property investments only.

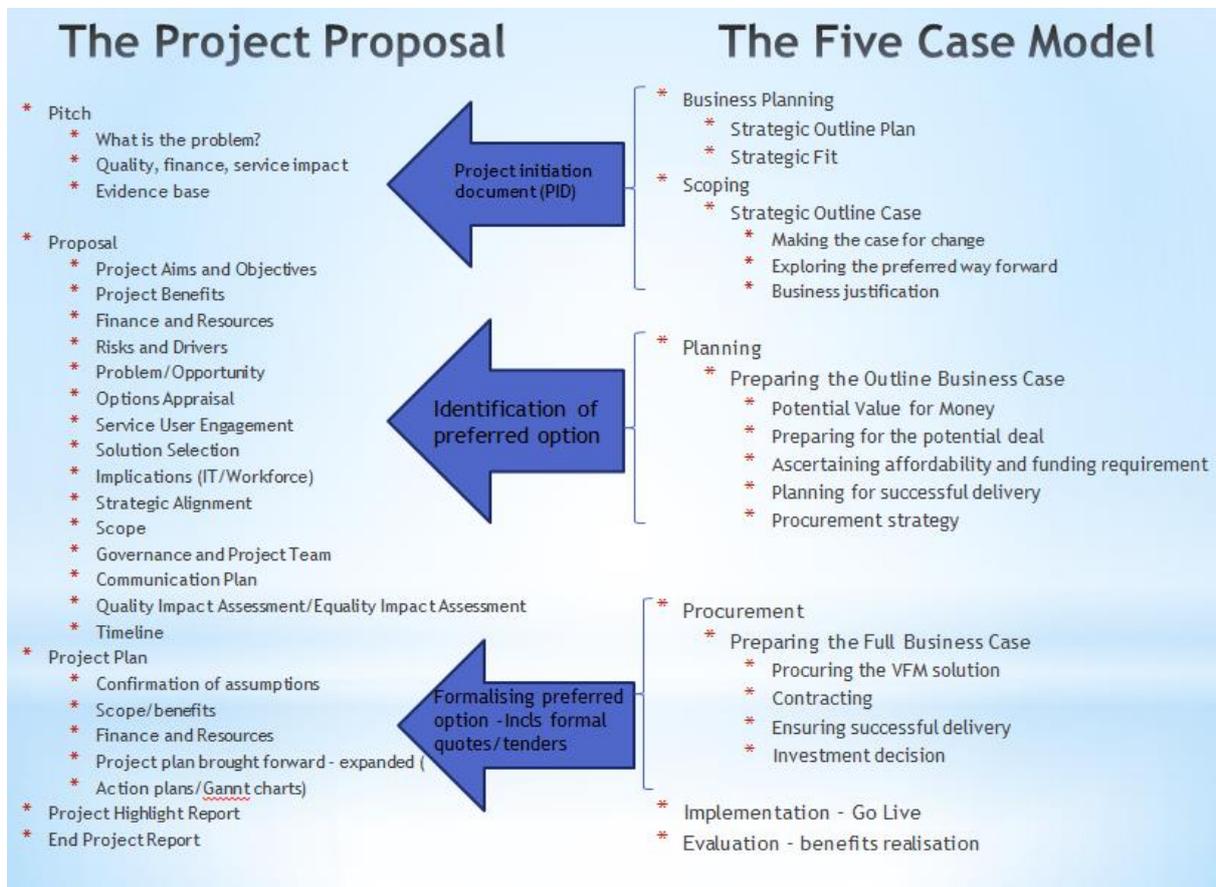
NHS Improvement will decide to classify the transaction as significant and therefore requiring a detailed review according to whether the transaction meets one of the following criteria:

- a relative size of greater than 40% in any of the tests in Table 1 above
- a relative size of between 25% and 40% of the tests set out in Table 1, where required as part of a risk assessment
- a relative size of between 10% and 25% of the tests set out in Table 1 above, when in NHS Improvement’s view one or more major risks or other risk has been identified and is considered relevant.

6.2.12

Figure 1 below shows the different stages to follow in the production of a business case under the five case model.

Figure 1



6.2.13 . The benefits derived from applying appropriate project management techniques include:

- To provide a consistent methodology for project managers to use
- To improve the prioritisation within work plans
- To increase project planning and delivery capability – particularly to improve risk management relating to project drift and failure
- To facilitate stakeholders in appropriately challenging and supporting project planning and delivery – it is much easier to do this when documentation is consistent across the organisation

6.2.14 The PMO at SHSC provides guidelines and support with regards to the stages to follow and the roles of a Programme Board and Project Board.

6.2.15 All stages of the template must be considered for all projects that expect to spend over £5,000. Capital expenditure must be accounted for, albeit in a different way to the Revenue budgets most Budget Managers will be familiar with. Therefore it is important to ensure a thorough cost-benefit analysis has been undertaken that demonstrates the investment is worth making.

6.2.16 For all Capital Projects all stages are to be considered as outlined in Figure 1 above. Procurement colleagues should be consulted early in the process to support development of the statement of requirements (specification) and to review sourcing options.

6.2.17 Estates projects: It is expected that the following will occur for larger Estates schemes:

6.2.17.1 The lead Directorate will appoint a Project Manager who will act as the principal stakeholder and will work on the project with the Head of Capital Development (HCD) for larger schemes or the Head of Projects (HP) for smaller schemes. The HCD or HP will be responsible for managing the project from inception to completion, and from hereon will be referred to as the 'Project Lead'.

6.2.17.2 The Project Lead and Project Manager will now identify further stakeholders who have a vested interest in the project and who are in a position to contribute to the project.

The Project Team can now be identified. This will consist of:

- The Project Lead
(Head of Estates Capital Planning & Strategic Development or Capital Projects Manager)
- The Project Manager
(Lead stakeholder e.g. Service Director/Business Manager)
- Project Stakeholders
- (Generally up to 5/6 people depending on size and complexity of the project) One or more of the Stakeholders will be nominated to seek service user involvement in the project if appropriate
- Where appropriate a specific Health & Safety representative and Staff Side Representative will be included within the stake holders
- Any members unable to attend meetings will be expected to nominate an alternative representative.

- 6.2.17.3 The Project Team will now work along with PMO to draw up a Statement of Requirements for the project. The Statement of Requirements must contain as a minimum the following information:
- Identification of stakeholders
 - Project Manager nominated
 - Purpose of the project
 - Objectives of the project (at least 3 or 4). These should be specific, measurable, achievable, relevant and timely (SMART).
 - The Project benefit
 - The Project budget
 - The success criteria
 - Who will judge the success of the project
 - An assessment of the project risks
 - Identification of project milestones
 - Implementation plan/who will do what
- 6.2.17.4 The statement of requirements will be drawn up as a result of several project team meetings, and will be agreed and signed off by all the stakeholders. This will then form the control document for the project. The project team may make changes to the statement of requirements during the project lifecycle; however all stakeholders must agree and sign off changes to the statement of requirements, e.g. re-scoping of work, timescale or budget.
- 6.2.17.5 The project manager will arrange for the appointment of consultants to form the design team if required. A lead consultant will be appointed to work with the project team. Appropriate trust procedure should be followed for Consultant appointments – see Trust policy.
- 6.2.17.6 The project manager and lead consultant will produce the detailed scheme design and specifications for signing off by the stakeholders. Specifications must be sufficiently detailed to avoid wherever possible, instances of items being added onto the scheme requirements later in the project. These will form the basis of the market testing package.
- 6.2.17.7 The Procurement Team in cooperation with the project manager will then put together the market testing package from the design team, and send the documents out for competitive bids in line with Trust Procurement Policy.
- 6.2.17.8 The bids received by the Procurement team will be judged and scored by a panel against the selection criteria detailed in the tender document for approval.
- 6.2.17.9 An analysis of the bids is undertaken and a recommendation is made to award the contract. If the contract is not awarded to the lowest bid an accompanying report will be attached to the recommendation.
- 6.2.17.10 A quarterly report will be sent to the Finance Sub-Committee with details of competitive bids sought and received.
- 6.2.17.11 The project manager monitors and manages the scheme against the details agreed in the statement of requirements
- 6.2.17.12 The project manager completes a monthly reconciliation between expenditure committed and spent in conjunction with finance colleagues.

6.2.17.13 On completion of the project the project manager will arrange the final visit with the project team to ensure all the work is satisfactory and inform the project team of any process to follow to resolve any problems, a post project evaluation exercise will be carried out for each capital scheme over £50k reflecting the achievement or otherwise of the scheme's Statement of Requirements.

6.2.18 Large Schemes (Over £500,000)

6.2.18.1 The Capital Project Board has a specific remit to provide Executive Control and oversight to Capital Projects, and specifically to:

- Provide the control and oversight of all schemes over £500,000 unless delegated to a specific project board with Executive lead but will receive monthly updates from any delegated group;
- Receive monthly updates from project teams for schemes £200,000 - £499,999;
- Receive quarterly updates of all capex from the Capital Accountant for information.
- To ensure the project adheres to the business case approved by the Board of Directors.
- To ensure the project is delivered within the financial resources approved by the Board of Directors.
- To ensure Standing Orders and Standing Financial Instructions are applied.
- To maintain the approved business case and make recommendations to the Board on the procurement, transaction and construction proposals.
- Other duties as per the group's current Terms of Reference.

6.2.18.2 The Group members are as per the current Terms of Reference, but as a minimum include a Finance representative, an Estates representative, a Capital Projects representative, a Procurement representative and an Executive Lead.

6.3 Required Governance Process

6.3.1 In all cases where a proposal is to be put forward to spend capital funds, the following must occur:

6.3.1.1 Trust Standing Orders and Standing Financial Instructions and Scheme of Delegation must be adhered to.

6.3.1.2 The required 'outcome' should be defined early in the process.

6.3.1.3 Procurement must be consulted early in the process to establish the most appropriate route to market; this may be via a Procurement Framework, tender or quotation process (in accordance with the SHSC Procurement Policy). Finance must be consulted early in the process to confirm accounting treatment (Capital/Revenue) and to obtain assistance on the finance section to be included in the Business Case.

6.3.1.4 In all Capital Business Cases a section is required outlining the 'Revenue implications of Capital spend' including as a minimum Capital charges and depreciation charges, but where relevant including increased maintenance costs, training requirements and so on. Early discussion is vital to ensure all potential cost implications are understood.

- 6.3.1.5 Following consultation with relevant parties (the Business Planning and Scoping elements of the Five Case Model) an Outline Business Case should be drafted. This may be short for smaller schemes, but the principles are the same. The Business Case should review value for money, affordability and funding requirements, plans for successful delivery and the planned procurement strategy.
- 6.3.1.6 The Outline Business Case should be presented to BPG for approval to spend the proposed Capital on the scheme.
- 6.3.1.7 Only once EDG have ratified the BPG decision to approve the scheme can procurement commence. This process - especially if requiring an EU Public Procurement exercise - can be lengthy, and therefore it is important that staff understand that BPG/EDG do not approve a Business Case so that a requisition can immediately be placed. Only once approved can the required procurement process commence in accordance with the SHSC Procurement Policy.
- 6.3.1.8 Following a successful procurement process, selection of a supplier, and contract or Call-Off Contract signature (as applicable), a requisition can be raised in the normal way, with appropriate approvals obtained, and sent to Procurement for the raising of an official trust purchase order to the supplier.
- 6.3.1.9 Implementation can then commence on delivery.
- 6.3.1.10 Post-project evaluation will be carried out for each capital scheme over £50k reflecting the achievement or otherwise of the scheme's Statement of Requirements.

6.4 Market Testing

- 6.4.1 The Trust Standing Orders, Standing Financial Instructions and Scheme of Delegation provide a framework and guidance for testing of the market (Procurement Frameworks, quotations and tenders), and should be read in conjunction with this Policy and the SHSC Procurement Policy.
- 6.4.2 The SHSC Procurement Policy seeks to embrace the Trust's obligations under the Public Contracts Regulations 2015 (PCR 2015). PCR 2015 enshrines EU public procurement regulations into English law and details the procedures that must be followed in conducting market testing exercises both above and below the EU value thresholds applicable to each type of expenditure (Equipment, Services and Works).
- 6.4.3 Only in exceptional cases is a single bid appropriate from a preferred supplier/contractor. They may also include works carried out by utility companies and other public bodies where alternative suppliers cannot be used. In these situations a Competitive Waiver form (SO 9.6) must be submitted to demonstrate competitiveness of the single bid and the reasons for proceeding. This should be forwarded to Procurement initially for comment and then onto the Director of Finance for approval. Standing Orders and Standing Financial Instruction criteria in this regard must be met.
- 6.4.4 All bids can only be opened once the process is closed. They will be opened by an approved officer(s) after the closing date. Late bids will only be accepted in exceptional circumstances. The Trust may extend the closing date of the tender if necessary and after advising all interested parties that it is doing so.
- 6.4.5 All bids will be evaluated in accordance with the evaluation criteria laid out in the invitation to bid documents. Each of the bidders will be notified of the outcome and a ten day standstill period will commence to enable any of the unsuccessful bidders to query or challenge the award. Assuming no challenge is forthcoming the winning bidder will then be formally awarded the tender.
- 6.4.6 Where the procurement is subject to a formal contract (or in the case of Procurement Frameworks, a Call-Off Order), the contract/Call-Off Order will be signed before the Purchase Order is raised.
- 6.4.7 A requisition shall be raised to Procurement, so that an official purchase order may be placed on the successful bidder(s). All authorisations will be in accordance with section 3(a) of the Trust's Scheme of Delegation.
- 6.4.8 All contracts for work will be signed in accordance with the Scheme of Delegations for the Trust on Capital Expenditure, Requisitioning, Orders and Payment of Goods and Services.
- 6.4.9 Disputes
All disputes should, in the first instance, be dealt with in accordance with the relevant Dispute Resolution clauses contained in the contract.

6.5 Complaints procedure

- 6.5.1 In the event that an individual wishes to raise any concerns regarding this policy, these concerns must be raised in writing (either by email or letter) to the Complaints department at the following address, within 7 working days of the issue:-

Complaints Department
Sheffield Health and Social Care NHS Foundation Trust
Fulwood House
Old Fulwood Road
Fulwood
Sheffield
S10 3TH

7 Dissemination, Storage and Archiving

7.1 This Policy will be maintained by the Financial Accounts team in consultation with Procurement and HR. Changes will be recorded on the Policy cover sheet.

7.2 Implementation will be per the following Implementation Plan:

Objective	Task	Executive / Associate Director Responsibility	Timescale
Dissemination, storage and archiving	Post Version on Trust intranet and remove prior versions	Executive Director of Finance	October/November 2018
	All SHSC staff email alert	Executive Director of Finance	October/November 2018
	Team Managers to ensure all staff have access to latest version of this policy	Executive Director of Finance	October/November 2018
	Financial Accounts Staff to archive former version of policy	Executive Director of Finance	October/November 2018

8 Training and other resource implications

Objective	Task	Executive / Associate Director Responsibility	Timescale
Training and Development	Finance Directorate to provide training as required.	Executive Director of Finance	As required

9 Audit, Monitoring and Review

9.1 The Capital Project Board will monitor capital schemes against plan on a monthly basis. Additionally, monthly capital reports are included within the monthly report to the Trust Board.

9.2 Although this policy will normally be reviewed on a 3-yearly basis from the date of implementation, due to the changes pending to other corporate policies, it is proposed that this policy be reviewed within the next 12 months. This review will include the following areas:

- Single Oversight Framework
- Review of our business case model approach which is being refined to reflect the 5 case model (which is already referenced in here) from both a capital and revenue model
- Wider NHSi Capital Regime changes and increased requirements applicable in the event the Trust goes into special measures
- A specific recent Internal Audit Review of asset disposal and any cross references needed in that regard.

9.3 Minor amendments (such as changes in title) may be made prior to the formal review, details of which will be monitored/approved in consultation with HR where relevant. Such amendments will be recorded in the Register and a new version of the Policy issued.

Monitoring Compliance Template						
Minimum Requirement	Process for Monitoring	Responsible Individual/group/committee	Frequency of Monitoring	Review of Results process (e.g. who does this?)	Responsible Individual/group/committee for action plan development	Responsible Individual/group/committee for action plan monitoring and implementation
A) Review of policy to ensure fit for purpose in current NHS financial climate	Review	Head of Financial Accounts	Three-yearly	FIPC	Corporate Finance/HR jointly	Corporate Finance

10 Implementation Plan

10.1 This policy will be made available on the SHSC Staff intranet and the SHSC internet.

10.2 Changes to the policy will be communicated via email to all staff per the Dissemination plan outlined in Section 7.

11 Links to other Policies

11.1 This policy further expands on the requirement in the Trust Standing Orders Paragraph 9, Tendering and Contract Procedure.

11.2 This policy also expands on the requirements of the Trust's Standing Financial Instructions at Paragraph 9; Non-Pay expenditure.

11.3 The SHSC Project Management Office and the SHSC Procurement Policy must also be consulted.

12 Contact Details

12.1 Contact the Head of Financial Accounts within the Finance Directorate with any queries.

13 References

- The Public Contracts Regulations 2015 (Statutory Instrument No. 102)
- "SHSC Standing Orders, Reservation & Delegation of Powers & Standing Financial Instructions"
- "The Green Book: appraisal and evaluation in central government"

- “Public sector business cases using the five case model: guidance” (Green Book)
- Capital regime, investment and property business case approval guidance for NHS Trust and Foundation Trust

Appendix A: Version Control and Amendment Log

Version No.	Type of Change	Date	Description of change(s)
1.1	Policy creation	2006	Amalgamation of previous guidance into one policy.
1.2/1.3	Policy updated to Policy on Policies format, and to reflect changes in procedures.	2016	Following consultation and review by the Capital Management Policy Task and Finish Group the policy was rewritten in Policy on Policies format and updated to reflect the creation of the Capital Board and changes to Standing Financial Instructions and Standing Orders and Scheme of Delegation.
2.0	Policy reviewed and updated	2018	Updated flow chart, Introduction (s1), Scope (s2), Definitions (s3), Purpose (s4), Duties (s5), section 6 fully revised, and section 7, section 9.3, section 10, 11, 12 and 13

Appendix B: Dissemination Record

Version	Date on website (intranet and internet)	Date of “all SHSC staff” email	Any other promotion/ dissemination (include dates)
1.1	February 2006	February 2006	
1.2	September 2016	September 2016	
1.3	February/March 2017	February/March 2017	
2.0	October 2018	October/November 2018	

Appendix C: Equality Impact Assessment Process for Policies Developed Under the Policy on Policies

Stage 1 – Complete draft policy

Stage 2 – Relevance - Is the policy potentially relevant to equality i.e. will this policy potentially impact on staff, patients or the public? If **NO** – No further action required – please sign and date the following statement. If **YES** – proceed to stage 3

This policy does not impact on staff, patients or the public (insert name and date)

Stage 3 – Policy Screening - Public authorities are legally required to have ‘due regard’ to eliminating discrimination , advancing equal opportunity and fostering good relations , in relation to people who share certain ‘protected characteristics’ and those that do not. The following table should be used to consider this and inform changes to the policy (indicate yes/no/ don’t know and note reasons). Please see the SHSC Guidance on equality impact assessment for examples and detailed advice this can be found at <http://www.shsc.nhs.uk/about-us/equality--human-rights>

	Does any aspect of this policy actually or potentially discriminate against this group?	Can equality of opportunity for this group be improved through this policy or changes to this policy?	Can this policy be amended so that it works to enhance relations between people in this group and people not in this group?
AGE	NO	NO	NO
DISABILITY	NO	NO	NO
GENDER REASSIGNMENT	NO	NO	NO
PREGNANCY AND MATERNITY	NO	NO	NO
RACE	NO	NO	NO
RELIGION OR BELIEF	NO	NO	NO
SEX	NO	NO	NO
SEXUAL ORIENTATION	NO	NO	NO

Stage 4 – Policy Revision - Make amendments to the policy or identify any remedial action required (action should be noted in the policy implementation plan section)

Please delete as appropriate: Policy Amended / Action Identified / no changes made.
Impact Assessment Completed by (insert name and date)

Gabriel Recalde – Head of Financial Accountant, Sept 2018

Appendix D: Human Rights Act Assessment Form and Flowchart

You need to be confident that no aspect of this policy breaches a person's Human Rights. You can assume that if a policy is directly based on a law or national policy it will not therefore breach Human Rights.

If the policy or any procedures in the policy, are based on a local decision which impact on individuals, then you will need to make sure their human rights are not breached. To do this, you will need to refer to the more detailed guidance that is available on the SHSC web site

<http://www.justice.gov.uk/downloads/human-rights/act-studyguide.pdf>

(relevant sections numbers are referenced in grey boxes on diagram) and work through the flow chart on the next page.

1. Is your policy based on and in line with the current law (including case law) or policy?

Yes. No further action needed.

No. Work through the flow diagram over the page and then answer questions 2 and 3 below.

2. On completion of flow diagram – is further action needed?

No, no further action needed.

Yes, go to question 3

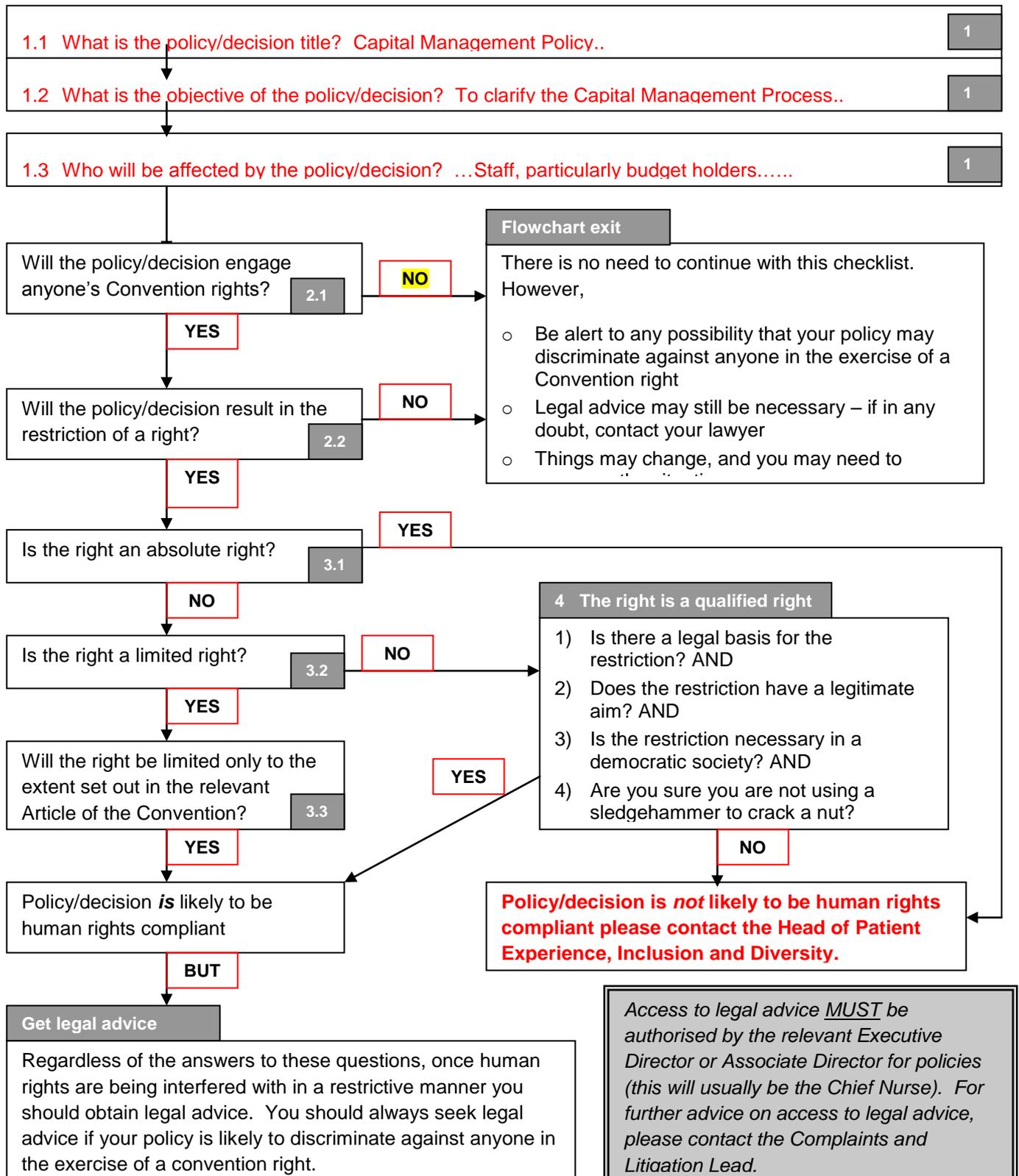
3. Complete the table below to provide details of the actions required

Action required	By what date	Responsible Person

Human Rights Assessment Flow Chart

Complete text answers in boxes 1.1 – 1.3 and highlight your path through the flowchart by filling the YES/NO boxes red (do this by clicking on the YES/NO text boxes and then from the Format menu on the toolbar, choose 'Format Text Box' and choose red from the Fill colour option).

Once the flowchart is completed, return to the previous page to complete the Human Rights Act Assessment Form.



Appendix E: Development, Consultation and Verification

This policy was developed by the Finance in consultation with the Estates Directorate, the Procurement team and PMO. It is written in line with general NHS principles and accounting guidance, and with due regard to Government guidance.

Consultation:

A working group of representatives from Procurement, Finance, Estates and HR was established to develop v 1.2 of this policy in July 2016.

The previous update (version 1.2) in August 2016 changes the format of the policy to meet the Policy on Policies. It also updates the policy to reflect the introduction of the Capital Board and its terms of reference.

The current update (version 2.0) in September 2018 is a fully revised version which provides a wider reach to cover all aspects of capital investments and its implications in line with current NHS guidelines and current internal processes and procedures.

Appendix F: Policy Checklist

Please use this as a checklist for policy completion. The style and format of policies should follow the Policy template which can be downloaded on the intranet (also shown at Appendix G within the Policy).

1. Cover sheet

All policies must have a cover sheet which includes:

- The Trust name and logo
- The title of the policy (in large font size as detailed in the template)
- Executive or Associate Director lead for the policy
- The policy author and lead
- The implementation lead (to receive feedback on the implementation)
- Date of initial draft policy
- Date of consultation
- Date of verification
- Date of ratification
- Date of issue
- Ratifying body
- Date for review
- Target audience
- Document type
- Document status
- Keywords
- Policy version and advice on availability and storage

2. Contents page

3. Flowchart

4. Introduction

5. Scope

6. Definitions

7. Purpose

8. Duties

9. Process

10. Dissemination, storage and archiving (control)

11. Training and other resource implications

12. Audit, monitoring and review

This section should describe how the implementation and impact of the policy will be monitored and audited and when it will be reviewed. It should include timescales and frequency of audits. It must include the monitoring template as shown in the policy template (example below).

Monitoring Compliance Template						
Minimum Requirement	Process for Monitoring	Responsible Individual/group/committee	Frequency of Monitoring	Review of Results process (e.g. who does this?)	Responsible Individual/group/committee for action plan development	Responsible Individual/group/committee for action plan monitoring and implementation

13. Implementation plan

14. Links to other policies (associated documents)

15. Contact details

16. References

17. Version control and amendment log (Appendix A)

18. Dissemination Record (Appendix B)

19. Equality Impact Assessment Form (Appendix C)

20. Human Rights Act Assessment Checklist (Appendix D)

21. Policy development and consultation process (Appendix E)

22. Policy Checklist (Appendix F)