



SUMMARY REPORT	Meeting Date:	28 Nov 2019
	Agenda Item:	12.3
	Enclosure Number:	16

Meeting:	Trust Board		
Title:	Annual review of Standing Orders, Standing Financial Instructions, Scheme of Delegation & Scheme of Reservation		
Author:	Head of Financial Accounting		
Accountable Director:	Sarah Lloyd, Associate Director of Finance		
Other meetings presented to or previously agreed at:	Committee	Date Reviewed	Key Points/Recommendation from that Committee
	Audit Committee	01/10/19	Amendments to the documents were approved

Purpose of the report				
The report recommends amendments to the Standing Financial Instructions, Standing Orders, Scheme of Delegation and Scheme of Reservation			Consider for Action	
			Approval	✓
			Assurance	✓
			Information	
Strategic goals this report relates to:				
To deliver high quality care	To support people to live independently at home	To deliver integrated care	To develop sustainable community services	
✓				

Summary of key points in report
<p>The Trust's Standing Orders (SOs), Standing Financial Instructions (SFIs), Scheme of Delegation and Scheme of Reservation are based on model Department of Health documents, modified as necessary to reflect Trust specific details.</p> <p>The documents are reviewed annually.</p> <p>Audit Committee reviewed the documents on 1 October and considered a number of amendments to the Scheme of Delegation, the Standing Financial Instructions, Standing Orders and the Scheme of Reservation:</p> <p>The key amendments propose an update to: outdated legislation; guidance on the appointment of Associate Non-Executive Directors; acting up arrangements; written resolutions; and meetings held by electronic means. Additionally, two amendments recommended by Internal Audit have been included namely: due diligence checks for new customers and the use of purchase orders for urgent off-framework agency staff.</p> <p>The Audit Committee recommended these documents to the Trust Board for approval.</p>

Key Recommendations

The Board is asked to ratify the Audit Committee decision that approves the suggested amendments.

Is this report relevant to compliance with any key standards? YES OR NO		State specific standard or BAF risk
CQC	Yes	Covers all CQC outcomes
IG Governance Toolkit	No	
Board Assurance Framework	Yes	Existence of up to date SOs underpins reviews of governance by the CQC. Governance documents are also the framework on which Internal Controls assurance is built.
Impacts and Implications?	YES or NO	If yes, what impact or implication
Patient safety & experience	Y	Underpins patient safety and experience
Financial (revenue & capital)	Y	SFIs establish best practice in financial governance
OD/Workforce	Y	Once approved the documents will be updated on the Trust web site
Legal	N	

Shropshire Community Health NHS Trust
 Policies, Procedures, Guidelines and Protocols

Document Details		
Title	Standing Orders	
Trust Ref No		
Local Ref (optional)		
Main points the document covers	These orders set out the Governance arrangements for the Trust. Appended to these are the Standards of Business Conduct	
Who is the document aimed at?	All staff	
Author	Head of Financial Accounting	
Approval process		
Approved by (Committee/Director)	Trust Board	
Approval Date	November 2019	
Initial Equality Impact Screening	Yes	
Full Equality Impact Assessment	No	
Lead Director	Ros Preen, Director of Finance and Strategy	
Category	Finance	
Sub Category	Standing Orders	
Review date	September 2020	
Distribution		
Who the policy will be distributed to	Distributed to senior staff as defined by Directors	
Method	Electronically to senior staff & available to all staff via the Trust web-site	
Document Links		
Required by CQC		
Required by NHSR		
Other		
Amendments History		
No	Date	Amendment
2	May 2014	Minor amendments to terminology & updates in line with current practice
3	May 2015	Amend para 2.3 & 7.1 re Fit & Proper Persons Amend para 4.8 re Board sub-committees Minor amendments to terminology
4	November 2016	Para 4.8.1 : add reference to the Audit Committee acting as the Auditor Panel
5	November 2017	Para 2.1.2 & 2.7.6 change references to NHS Trust Development Authority and replace with NHS Improvement. Para 7.1.3 change reference to Company Secretary and replace with Director of Corporate Affairs. Para 7.1.3 change reference to Financial Reporting Standard 8 and change to International Accounting Standard 24 (Related Party Disclosure).
6	November 2019	Changed Chairman to Chair throughout. Replaced NHS Act 1977 with NHS Act 2006 Replaced Local Involvement Networks (LiNks) with Healthwatch England. Removed Appendix 1 as guidance replaced by Managing Conflicts of Interest in the NHS. This is now incorporated in the Trusts Code of Business Conduct, including Managing Conflicts of Interest Policy. Added 1.4.31 & 1.4.32 for definitions of a "Motion" and NHS Improvement/England. Removed para's 5.12 & 5.1.3 as not relevant Removed NHS Trust Development Authority as incorporated into NHSI/E Referenced the Health and Social Care Act 2012 throughout Added para 2.2.2 Appointment of Associate Non-Executive Directors Added para 2.11 for Acting up Arrangements Added para 3.8 for Written Resolutions Added para 3.20 for Meetings held by electronic means

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1. INTRODUCTION

1.1 Statutory Framework

- 1.1.1 The Shropshire Community Health NHS Trust (the Trust) is a statutory body which came into existence on 1 July 2011 under The Shropshire Community Health NHS Trust (Establishment) Order 2011 No. 1519 (the Establishment Order).
- 1.1.2 The principal place of business of the Trust is the county of Shropshire.
- 1.1.3 NHS Trusts are governed by Acts of Parliament, mainly the National Health Service Act 2006 (Chapter 3 and Schedule 4) (NHS Act 2006) and the Health and Social Care Act 2012.
- 1.1.4 The functions of the Trust are conferred by this legislation.
- 1.1.5 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 role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health. The Trust also has a common law duty as a Bailee for property held by the Trust on behalf of patients.
- 1.1.6 The Trust also has statutory powers under Section 75 of the NHS Act 2006, to fund projects jointly planned with local authorities.
- 1.1.7 The Code of Accountability requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- 1.1.8 The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

1.2 NHS Framework

- 1.2.1 In addition to the statutory requirements the Secretary of State through the Department of Health issues further directions and guidance. These are normally issued under cover of a circular or letter.
- 1.2.2 The Code of Accountability requires that, inter alia, Boards draw up a Schedule of Decisions Reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a Scheme of Delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Code of Conduct makes various requirements concerning possible conflicts of interest of Board members.

- 1.2.3 The Code of Practice on Openness in the NHS, as revised by the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 sets out the requirements for public access to information on the NHS.

1.3 Delegation of Powers

- 1.3.1 The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under Standing Order No. 5 relating to the "Arrangements for the Exercise of Trust Functions by Delegation", 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 No. 4 "Appointment of Committees and Sub-Committees" or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct".
- 1.3.2 Delegated Powers are covered in separate documents (Scheme of Reservation and Scheme of Delegation). These documents have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

1.4 Interpretation & Definitions

- 1.4.1 The Chair of the Trust is the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive or Secretary to the Board).
- 1.4.2 Any expression to which a meaning is given in the National Health Service Act 2006, Health and Social Care Act 2012, National Health Service and Community Care Act 1990 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in these Standing Orders and in addition, those definitions given below.
- 1.4.3 "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 1.4.4 "**Trust**" means the Shropshire Community Health NHS Trust.
- 1.4.5 "**Board**" means the Chair, executive and non-executive Directors of the Trust collectively as a body.
- 1.4.6 "**Budget**" means a plan, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.4.7 "**Director**" means the executive officer with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.

- 1.4.8 “**Budget Manager**” means second level delegation by a Director to another Senior Manager. They can either be an employee of the Trust or of another organisation and be authorised by the Director.
- 1.4.9 “**Resource Manager**” means third level delegation by a Budget Manager to another Senior Manager. They can either be an employee of the Trust or of another organisation and be authorised by the Director.
- 1.4.10 “**Service Lead**” means an officer who has delegated responsibility from a Resource Manager for the day-to-day management of a defined budget. They can either be an employee of the Trust or of another organisation and be authorised by the Director.
- 1.4.11 “**Chair of the Board (or Trust)**” is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression “the Chair of the Trust” shall be deemed to include the Vice-Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.
- 1.4.12 “**Chief Executive**” means the chief officer of the Trust.
- 1.4.13 “**Director of Finance and Strategy**” or “**Associate Director of Finance**” means the chief financial officer of the Trust.
- 1.4.14 “**Clinical Governance Committee**” means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of health care for which the Trust has responsibility.
- 1.4.15 “**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.
- 1.4.16 “**Committee**” means a committee or sub-committee created and appointed by the Trust.
- 1.4.17 “**Committee members**” means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.4.18 “**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.
- 1.4.19 “**Funds Held on Trust**” means those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under Part 11(Eleven) of the NHS Act 2006. Such funds may or may not be charitable.

- 1.4.20 "**Member**" means executive or non-executive Director of the Board as the context permits. Member in relation to the Board does not include its Chair.
- 1.4.21 "**Associate Director**" means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.
- 1.4.22 "**Membership, Procedure and Administration Arrangements Regulations**" means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.
- 1.4.23 "**Nominated officer**" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.4.24 "**Non-executive Director**" means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 1.4.25 "**Officer**" means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.4.26 "**Executive Director**" means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chair of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- 1.4.27 "**Secretary**" means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance.
- 1.4.28 "**SFIs**" means Standing Financial Instructions.
- 1.4.29 "**SOs**" means Standing Orders.
- 1.4.30 "**Vice-Chair**" means the non-executive Director appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.
- 1.4.31 "**Motion**" is a formal proposition to be discussed and voted on during the course of a Trust Board or Committee meeting.
- 1.4.32 "**NHS Improvement/England (NHSI/E)**" is responsible for the oversight of NHS trusts and has delegated authority from the Secretary of State for Health for the appointment of the Non-Executive Directors, including the Chair of the Trust.

2. THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS

2.1 Composition of the Membership of the Trust Board

- 2.1.1 In accordance with the Membership, Procedure and Administration Arrangements Regulations the composition of the Board shall be as follows:
- 2.1.2 The Chair of the Trust (appointed by the NHS Improvement/England).
- 2.1.3 Up to 5 non-executive Directors (appointed by the NHS Improvement/England).
- 2.1.4 Up to 5 executive Directors (but not exceeding the number of non-executive Directors) including:-
 -) the Chief Executive
 -) the Director of Finance and Strategy or Associate Director of Finance
- 2.1.5 The Trust shall have not more than 11 and not less than 8 members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State).

2.2 Appointment of the Chair and Members of the Trust

- 2.2.1 Appointment of the Chair and Members of the Trust - Schedule 4 to the 2006 Act, , provides that the Chair is appointed by the Secretary of State, but otherwise the appointment and tenure of office of the Chair and members are set out in the Membership, Procedure and Administration Arrangements Regulations.
- 2.2.2 Appointment of Associate Non-Executive Directors - The Board may appoint Associate Non-Executive Directors on terms and conditions to be specified by the Board to provide additional advice and expertise to the Board and/or its committees. Associate Non-Executive Directors will be non-voting appointees without executive or delegated executive functions but will be accountable to the Board for the responsibilities detailed in their terms and conditions of appointment, which shall never exceed 3 years but may be renewed by the Board.

2.3 Terms of Office of the Chair and Members

- 2.3.1 The regulations setting out the period of tenure of office of the Chair and members and for the termination or suspension of office of the Chair and members are contained in Sections 2 to 4 of the Membership, Procedure and Administration Arrangements Regulations.
- 2.3.2 The Trust will seek assurance that any individuals under consideration for appointment as Chair or member of the Board satisfy the Fit & Proper Person requirements.

2.4 Appointment and Powers of Vice-Chair

- 2.4.1 Subject to Standing Order 2.4.2 below, the Chair and members of the Trust may appoint one of their numbers, who is not also an executive Director, to be Vice-Chair, for such period, not exceeding the remainder of his/her term as a member of the Trust, as they may specify on appointing him/her.
- 2.4.2 Any member so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The Chair and members may thereupon appoint another member as Vice-Chair in accordance with the provisions of Standing Order 2.4.1.
- 2.4.3 Where the Chair of the Trust has died or has ceased to hold office, or where they have been unable to perform their 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 their 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 those duties, be taken to include references to the Vice-Chair.

2.5 Joint Members

- 2.5.1 Where more than one person is appointed jointly to a post mentioned in regulation 2(4)(a) of the Membership, Procedure and Administration Arrangements Regulations those persons shall count for the purpose of Standing Order 2.1 as one person.
- 2.5.2 Where the office of a member of the Board is shared jointly by more than one person:
- a) Either or both of those persons may attend or take part in meetings of the Board;
 - b) If both are present at a meeting they should cast one vote if they agree;
 - c) In the case of disagreements no vote should be cast;
 - d) The presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.12 "Quorum".

2.6 Healthwatch England

- 2.6.1 Healthwatch England was established under the Health and Social Care Act 2012 to understand the needs, experiences and concerns of people who use health and social care services and to speak out on their behalf. It is a statutory committee of the Care Quality Commission (CQC). Their main statutory functions are to: i) Provide leadership, guidance, support and advice to local Healthwatch organisations. ii) Escalate concerns about health and social care services which have been raised by local Healthwatch to CQC. CQC are required to respond to advice from the Healthwatch England Committee. iii) Provide advice to the Secretary of State for Health and Social Care, NHS England and English local authorities, when in their view the quality of service provided is not adequate. Bodies to whom advice is given are required to respond in writing. The Secretary of

State for Health and Social Care is also required to consult Healthwatch England on the NHS mandate, which sets the objectives for the NHS.

2.7 Role of Members

2.7.1 The Board will function as a corporate decision-making body, Executive and Non-Executive Directors will be full and equal members. Their role as members of the Board of Directors will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

2.7.2 Executive Directors

Executive Directors shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation.

2.7.3 Chief Executive

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He/she is the Accountable Officer for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.

2.7.4 Director of Finance and Strategy or Associate Director of Finance

The Director of Finance and Strategy or Associate Director of Finance shall be responsible for the provision of financial advice to the Trust and to its members and for the supervision of financial control and accounting systems. He/she shall be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

2.7.5 Non-Executive Directors

The Non-Executive Directors shall not be granted nor shall they seek to exercise any individual executive powers on behalf of the Trust. They may however, exercise collective authority when acting as members of or when chairing a committee of the Trust which has delegated powers.

2.7.6 Chair

The Chair shall be responsible for the operation of the Board and chair all Board Meetings when present. The Chair has certain delegated executive powers. The Chair must comply with the terms of appointment and with these Standing Orders.

The Chair shall liaise with the NHS Improvement over the appointment of Non-Executive Directors and once appointed shall take responsibility either directly or indirectly for their induction, their portfolios of interests and assignments, and their performance.

The Chair shall work in close harmony with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.

2.8 Corporate Role of the Board

2.8.1 All business shall be conducted in the name of the Trust (Shropshire Community Health NHS Trust).

2.8.2 All funds received in trust shall be held in the name of the Trust as corporate trustee.

2.8.3 The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No. 3 "Meetings of the Trust".

2.8.4 The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State and Charity Commission

2.9 Scheme of Reservation and Scheme of Delegation

2.9.1 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 the Scheme of Reservation and have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation.

2.10 Lead Roles for Board Members

2.10.1 The Chair will ensure that the designation of lead roles or appointments of Board members as required by the Department of Health or as set out in any statutory or other guidance, will be made in accordance with that guidance or statutory requirement (e.g. appointing a Lead Board Member with responsibilities for Infection Control or Child Protection Services, etc.).

2.11 Acting up Arrangements

2.11.1 An officer who has been appointed formally by the Board of Directors 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 of Directors 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. MEETINGS OF THE TRUST

3.1 Calling Meetings

- 3.1.1 Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.
- 3.1.2 The Chair of the Trust may call a meeting of the Board at any time.
- 3.1.3 One-third or more members of the Board may requisition a meeting in writing. If the Chair refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

3.2 Notice of Meetings and the Business to be Transacted

- 3.2.1 Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member, or sent by post to the usual place of residence of each member, so as to be available to members at least three clear days before the meeting. The notice shall be signed by the Chair or by an officer authorised by the Chair to sign on their behalf. Want of service of such a notice on any member shall not affect the validity of a meeting.
- 3.2.2 In the case of a meeting called by members in default of the Chair calling the meeting, the notice shall be signed by those members.
- 3.2.3 No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6 "Emergency Motions".
- 3.2.4 A member 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.
- 3.2.5 Before each meeting of the Board 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 principal offices at least three clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 S.I.(4)(a)).

3.3 Agenda and Supporting Papers

- 3.3.1 The Agenda will be sent to members 6 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.

3.3.2 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.)

3.4 Petitions

3.4.1 Where a petition has been received by the Trust the Chair shall include the petition as an item for the agenda of the next meeting.

3.5 Notice of Motion

3.5.1 Subject to the provision of Standing Orders 3.7 “Motions: Procedure at and During a Meeting” and 3.9 “Motion to Rescind a Resolution”, a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chair.

3.5.2 The notice shall be delivered at least 10 clear days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

3.6 Emergency Motions

3.6.1 Subject to the agreement of the Chair, and subject also to the provision of Standing Order 3.7 “Motions: Procedure at and During a Meeting”, a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Trust Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chair’s decision to include the item shall be final.

3.7 Motions: Procedure at and During a Meeting

3.7.1 Who may propose?

A motion may be proposed by the Chair of the meeting or any member present. It must also be seconded by another member.

3.7.2 Contents of motions

The Chair may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to :-

-) the reception of a report
-) consideration of any item of business before the Trust Board
-) the accuracy of minutes
-) that the Board proceed to next business
-) that the Board adjourn
-) that the question be now put.

3.7.3 Amendments to motions

A motion for amendment shall not be discussed unless it has been proposed and seconded.

Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.

If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the meeting, upon which any further amendment may be moved.

3.7.4 Rights of reply to motions

The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who shall have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.

The member who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.

3.7.5 Withdrawing a motion

A motion, or an amendment to a motion, may be withdrawn.

3.7.6 Motions once under debate

When a motion is under debate, no motion may be moved other than:-

-) an amendment to the motion
-) the adjournment of the discussion, or the meeting
-) that the meeting proceed to the next business
-) that the question should now be put
-) the appointment of an ad hoc committee to deal with a specific item of business
-) that a member/Director be not further heard
-) a motion under Section 1(2) or Section 1(8) of the Public Bodies (Admission to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.18 "Admission of the Public and Press").

In those cases where the motion is either that the meeting proceeds to the “next business” or “that the question be now put” in the interests of objectivity these should only be put forward by a member of the Board who has not taken part in the debate and who is eligible to vote.

If a motion to proceed to the next business or that the question be now put, is carried, the Chair should give the mover of the substantive motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

3.8 Written Resolutions

3.8.1 Where a decision needs to be taken by the Board or one of its committees outside the normal cycle of meetings, and where the matter is not deemed by the Chair to require an extraordinary meeting to be called, the decision may be made via e-mail. The preference is for decisions to be taken at board/committee meetings. The decisions via e-mail process will be used on an exceptions basis. The process for decision via e-mail will be as follows:

- a) An e-mail setting out the matter for decision will be sent to all board/committee members on the same working day. This shall include a statement setting out how the board/committee members should signify what their view on the matter is and the deadline for doing so.
- b) Board/Committee members will be given no less than five working days in which to respond.
- c) For a decision to be passed, all of the Board/committee members must express the same view on the matter.
- d) Where board/committee members have comments on the proposed decision or recommendation/s these will be circulated to other board/committee members by the Company Secretary within one working day of receipt.
- e) If any individual board/committee member wishes to debate an item proposed for decision via e-mail at a board/committee meeting instead they may ask the Chair to arrange an additional meeting or defer the item for decision until the next board/committee meeting (such agreement by the Chair not to be unreasonably withheld).
- f) Decisions via e-mail will be reported to the next board/committee meeting and the wording of the decision minuted. Any decision made in this manner will be effective from the date of agreement of all of the board/ committee members and confirmed by email by the Company Secretary.

3.9 Motion to Rescind a Resolution

3.9.1 Notice of motion to 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 member who gives it and also the signature of 3 other members, and before considering any such motion of which notice shall have been given, the Trust Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.

3.9.2 When any such motion has been dealt with by the Trust Board, it shall not be competent for any Director/member other than the Chair to propose a motion to the same effect within 6 months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

3.10 Chair of Meeting

3.10.1 At any meeting of the Trust Board, the Chair, if present, shall preside. If the Chair is absent from the meeting, the Vice-Chair (if the Board has appointed one), if present, shall preside.

3.10.2 If the Chair and Vice-Chair are absent, such member (who is not also an Executive Director of the Trust) as the members present shall choose who shall preside.

3.11 Chair's Ruling

3.11.1 The decision of the Chair of the meeting on questions of order, relevancy and regularity (including procedures on handling motions) and their interpretation of Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

3.12 Quorum

3.12.1 No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and members (including at least one member who is also an Executive Director of the Trust and one member who is not) is present.

3.12.2 An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.

3.12.3 If the Chair or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see Standing Orders No.7.1 "Declaration of Interests" and 7.2 "Register of Interests") that person 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.

3.13 Voting

3.13.1 Save as provided in Standing Orders 3.14 "Suspension of Standing Orders" and 3.15 "Variation and Amendment of Standing Orders" every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (i.e. the Chair of the meeting) shall have a second and casting vote.

- 3.13.2 At the discretion of the Chair all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chair directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- 3.13.3 If at least one-third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- 3.13.4 If a member so requests, their vote shall be recorded by name.
- 3.13.5 In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- 3.13.6 A manager, who has been formally appointed 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.
- 3.13.7 A manager attending the Trust Board meeting 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.
- 3.13.8 For the voting rules relating to joint members see Standing Order 2.5 "Joint Members".

3.14 Suspension of Standing Orders

- 3.14.1 Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (Standing Order 3.12), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one member who is an Executive Director and one member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- 3.14.2 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and members of the Trust.
- 3.14.3 No formal business may be transacted while Standing Orders are suspended.
- 3.14.4 The Audit Committee shall review every decision to suspend Standing Orders.

3.15 Variation and Amendment of Standing Orders

3.15.1 These Standing Orders shall not be varied except in the following circumstances:

-) upon a notice of motion under Standing Order 3.5 "Notice of Motion";
-) upon a recommendation of the Chair or Chief Executive included on the agenda for the meeting;
-) that two-thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Executive Directors vote in favour of the amendment;
-) providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

3.16 Record of Attendance

3.16.1 The names of the Chair and Directors/members present at the meeting shall be recorded in the minutes.

3.16.2 If a Director is not present for the entirety of the meeting, the minutes shall record the items that were considered whilst they were present.

3.17 Minutes

3.17.1 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.

3.17.2 No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate.

3.18 Admission of the Public and the Press

3.18.1 Admission and exclusion on grounds of confidentiality of business to be transacted

The public and representatives of the press may attend all meetings of the Trust, but shall be required to withdraw upon the Trust Board as follows:

"That representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest" (Section 1(2) Public Bodies (Admission to Meetings) Act 1960).

Guidance should be sought from the Trust's Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.

3.18.2 General disturbances

The Chair (or Vice-Chair if one has been appointed) or the person presiding over the meeting shall give such directions as he/she thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Trust Board resolving as follows:

"That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Trust Board to complete its business without the presence of the public" (Section 1(8) Public Bodies (Admission to Meetings) Act 1960).

3.18.3 Business proposed to be transacted when the press and public have been excluded from a meeting

Matters to be dealt with by the Trust Board following the exclusion of representatives of the press, and other members of the public, as provided in 3.18.1 and 3.18.2 above shall be confidential to the members of the Board.

Members and Officers or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked "In Confidence" or minutes headed "Items Taken in Private" outside of the Trust, without the express permission of the Trust. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

3.18.4 Use of mechanical or electrical equipment for recording or transmission of meetings

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust or Committee thereof. Such permission shall be granted only upon resolution of the Trust.

3.19 Observers at Trust Meetings

3.19.1 The Trust will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any of the Trust Board's meetings and may change, alter or vary these terms and conditions as it deems fit.

3.20 Meetings held by electronic means

3.20.1 Any board/committee member may participate in a meeting by way of telephone, computer or any other electronic means of communication provided that each person is able to hear and speak. A person participating in this way is deemed to be present in person although their actual location shall be noted in the minutes and is counted in a quorum and entitled to vote. The meeting is deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the Chair of the meeting is located.

4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

4.1.1 Subject to such directions as may be given by the Secretary of State for Health, the Trust Board may appoint committees of the Trust.

4.1.2 The Trust shall determine the membership and terms of reference of committees and sub-committees and shall if it requires to, receive and consider reports of such committees.

4.2 Joint Committees

4.2.1 Joint committees may be appointed by the Trust by joining together with one or more other health service bodies consisting of, 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.

4.2.2 Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State or the Trust or other health 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 health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees

4.3.1 The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Trust. In which case the term "Chair" is to be read as a reference to the Chair of other committees as the context permits, and the term "member" is to be read as a reference to a member of other committees also as the context permits. (There is no requirement to hold meetings of committees established by the Trust in public.)

4.4 Terms of Reference

4.4.1 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 legislation and regulation or direction issued by the Secretary of State. Such terms of reference shall have effect as if incorporated into the Standing Orders.

4.5 Delegation of Powers by Committees to Sub-Committees

4.5.1 Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Trust Board.

4.6 Approval of Appointments to Committees

4.6.1 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 members nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

4.7 Appointments for Statutory Functions

4.7.1 Where the Board is required to appoint persons to a committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State.

4.8 Committees Established by the Trust Board

The committees, sub-committees, and joint-committees established by the Board are:

4.8.1 Audit Committee

In line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, and the Finance Reporting Council Guidance on Board Effectiveness, an Audit Committee will be established and constituted to provide the Trust Board with an independent and objective review on its financial systems, financial information and compliance with laws, guidance, and regulations governing the NHS. The Terms of Reference will be approved by the Trust Board and reviewed on a periodic basis.

In addition, the Audit Committee acts as the Trust's Auditor Panel , the main function being to advise on the appointment of external auditors.

A minimum of three Non-Executive Directors should be appointed, unless the Board decides otherwise, of which one must have significant, recent and relevant financial experience.

4.8.2 Appointments, Nomination & Remuneration Committee

In line with the requirements of the NHS Codes of Conduct and Accountability, and the Finance Reporting Council Guidance on Board Effectiveness, an Appointments, Nomination and Remuneration Committee will be established and constituted.

The Committee should be comprised exclusively of Non-Executive Directors, a minimum of three, who are independent of management.

The purpose of the Committee will be to advise the Trust Board about appropriate remuneration and terms of service for the Chief Executive and other Executive Directors 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.

4.8.3 Resource & Performance Committee

The Resource and Performance Committee has delegated authority from the Board to oversee, co-ordinate, review and assess the financial and performance management arrangements within the Trust.

4.8.4 Charitable Funds Committee

In line with its role as a corporate trustee for any funds held on trust, either as charitable or non-charitable funds, the Trust Board delegate authority to the Charitable Funds Committee to administer those funds in accordance with any statutory or other legal requirements, or best practice required by the Charity Commission.

4.8.5 Quality and Safety Committee

The purpose of the Quality and Safety Committee is to assure the Board of the quality of clinical services across the Trust.

4.8.6 Information Governance Committee

The Information Governance Committee oversees the development of the Trust's Information Governance strategy, and provides assurance to the Board that arrangements for handling and using information, including personal information, are safe and secure, and compliant with all legal requirements and national standards.

4.8.7 Other Committees

The Board may also establish such other committees as required to discharge the Trust's responsibilities.

5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

5.1 Delegation of Functions to Committees, Officers or Other Bodies

5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4 "Appointment of Committees and Sub-Committees", or by an officer of the Trust. In each case these arrangements shall be subject to such restrictions and conditions as the Trust thinks fit.

5.2 Emergency Powers and Urgent Decisions

5.2.1 The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.8 "Corporate Role of the Board") may in emergency or for an urgent decision 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 Trust Board in public session for formal ratification.

5.3 Delegation to Committees

5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. 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.

5.3.2 When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the Trust in public session.

5.4 Delegation to Officers

5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other 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 accountability to the Trust.

5.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation, which shall be considered and approved by the Board.

5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance and Strategy or Associate Director of Finance to provide information and advise the Board in accordance with statutory or Department of Health requirements. Outside these statutory requirements the roles of the Director of Finance and Strategy shall be accountable to the Chief Executive for operational matters.

5.5 Scheme of Reservation and Scheme of Delegation

5.5.1 The arrangements made by the Board as set out in the Scheme of Reservation and Scheme of Delegation shall have effect as if incorporated in these Standing Orders.

5.6 Duty to Report Non-Compliance with Standing Orders and Standing Financial Instructions

5.6.1 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 members of the Trust Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

6. OVERLAP WITH OTHER TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND STANDING FINANCIAL INSTRUCTIONS

6.1 Policy Statements: General Principles

6.1.1 The Trust Board will from time to time agree and approve Policy statements/procedures which will apply to all or specific groups of staff employed by the Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Board minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

6.2 Specific Policy Statements

6.2.1 Notwithstanding the application of Standing Order 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

-) Code of Business Conduct, including Managing Conflicts of Interest Policy ;
-) Staff Disciplinary and Appeals Procedures adopted by the Trust both of which shall have effect as if incorporated in these Standing Orders.

6.3 Standing Financial Instructions

6.3.1 Standing Financial Instructions adopted by the Trust Board in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

6.4 Specific Guidance

6.4.1 Notwithstanding the application of Standing Order 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health:

-) Caldicott Guardian 1997;
-) Human Rights Act 1998;
-) Freedom of Information Act 2000;
-) Bribery Act 2010.

7. DUTIES & OBLIGATIONS OF BOARD MEMBERS/DIRECTORS & SENIOR MANAGERS UNDER THESE STANDING ORDERS

7.1 Declaration of Interests

7.1.1 Requirements for declaring interests and applicability to Board members

The NHS Code of Accountability requires Trust Board members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.

7.1.2 Interests which are relevant and material

Interests which should be regarded as "relevant and material" are those with any potential impediment to the fitness to act in the role of a Director or non-officer member. Examples are:

- (i) Directorships, including non-executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);
- (ii) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
- (iii) Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS;
- (iv) A position of authority in a charity or voluntary organisation in the field of health and social care;
- (v) Any connection with a voluntary or other organisation contracting for NHS services;
- (vi) Research funding/grants that may be received by an individual or their department;
- (vii) Interests in pooled funds that are under separate management.

Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

7.1.3 Advice on interests

If Board members have any doubt about the relevance of an interest, this should be discussed with the Chair of the Trust or with the Trust's Director of Corporate Affairs.

The relevant standard is IAS 24, *Related Party Disclosures*, interpreted as set out in *Chapter 4 Annex 1: Standards and applicability to the DH group* (issued by the International Accounting Standards Board), specifies that influence and control 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.

7.1.4 Recording of interests in Trust Board minutes

At the time Board members' interests are declared, they should be recorded in the Trust Board minutes.

Any changes in interests should be declared at the next Trust Board meeting following the change occurring, and recorded in the minutes of that meeting.

7.1.5 Publication of declared interests in the Annual Report

Board members' Directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

7.1.6 Conflicts of interest which arise during the course of a meeting

During the course of a Trust Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision (see overlap with Standing Order 7.3).

7.2 Register of Interests

7.2.1 The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board members. In particular the Register will include details of all Directorships and other relevant and material interests (as defined in Standing Order 7.1.2) which have been declared by both executive and non-executive Trust Board members.

7.2.2 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.

7.2.3 The Register will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of local residents and to publicise arrangements for viewing it.

7.3 Exclusion of Chair and Members in Proceedings on Account of Pecuniary Interest

7.3.1 Interpretation of "pecuniary interest"

For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

- (i) "spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);
- (ii) "contract" shall include any proposed contract or other course of dealing;

- (iii) subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract if:-
 -) he/she or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
 -) he/she is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.
- (iv) a person shall not be regarded as having a pecuniary interest in any contract if :-
 -) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
 -) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
 -) those securities of any company in which he/she (or any person connected with him/her) has a beneficial interest do not exceed £10,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

However, where bullet point 3 above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 7.1.2.

7.3.2 Exclusion in proceedings of the Trust Board

- (i) Subject to the following provisions of this Standing Order, if the Chair or a member of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board at which the contract or other matter is the subject of consideration, they 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.
- (ii) The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (see Standing Order 7.3.3 on the “waiver” which has been approved by the Secretary of State for Health).
- (iii) The Trust Board may exclude the Chair or a member 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.
- (iv) Any remuneration, compensation or allowances payable to the Chair or a member by virtue of paragraph 233, Part 11 of the NHS Act 2006 shall not be treated as a pecuniary interest for the purpose of this Standing Order.

- (v) This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not he/she is also a member of the Trust) as it applies to a member of the Trust.

7.3.3 Waiver of Standing Orders made by the Secretary of State for Health

- (i) Power of the Secretary of State to make waivers
Under regulation 11(2) of the NHS (Membership and Procedure Regulations SI 1999/2024 (“the Regulations”), there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a Chair or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (ii) to (iv) below.
- (ii) Definition of “Chair” for the purpose of interpreting this waiver
For the purposes of paragraph 7.3.3. (iii) (below), the “relevant Chair” is:-
J at a meeting of the Trust, the Chair of that Trust;
J at a meeting of a Committee: in a case where the member in question is the Chair of that Committee, the Chair of the Trust; or in the case of any other member, the Chair of that Committee.
- (iii) Application of waiver
A waiver will apply in relation to the disability to participate in the proceedings of the Trust on account of a pecuniary interest.
It will apply to:-
J a member of the Trust, who is a healthcare professional , and who is providing or performing, or assisting in the provision or performance, of :-
a) services under the National Health Service Act 2006;
or
b) services in connection with the Health and Social Care Act 2012;for the benefit of persons for whom the Trust is responsible.
J where the pecuniary interest of the member in the matter which is the subject of consideration at a meeting at which he is present:-
a) arises by reason only of the member’s role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;

- b) has been declared by the relevant Chair as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who are members of the same profession as the member in question or who are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.
- (iv) Conditions which apply to the waiver and the removal of having a pecuniary interest
The removal is subject to the following conditions:
-) the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
 -) the relevant Chair must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.3.3(ii) above, except where that member is the Chief Executive;
 -) in the case of a meeting of the Trust the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded, but may not vote on any question with respect to it.
 -) in the case of a meeting of a Committee the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded, and may vote on any question with respect to it, but the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

7.4 Standards of Business Conduct

7.4.1 Trust Policy and National Guidance

All Trust staff and members of the Board must comply with the Trust's Code of Business Conduct, including Managing Conflicts of Interest and the national guidance contained in "Managing Conflicts of Interest in the NHS" which has been incorporated into the above policy.

7.4.2 Interest of Officers in Contracts

Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Trust's Company Secretary as soon as practicable.

An officer should also declare to the Chief Executive any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.

The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

7.4.3 Canvassing of and Recommendations by Members in Relation to Appointments

Canvassing of members 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 Orders shall be included in application forms or otherwise brought to the attention of candidates.

Members of the Trust 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 member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

7.4.4 Relatives of Members or Officers

Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him/her liable to instant dismissal.

The Chair and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.

On appointment, members (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other member or holder of any office in the Trust.

Where the relationship to a member of the Trust is disclosed, the Standing Order headed "Exclusion of Chair and Members in Proceedings on Account of Pecuniary Interest" (Standing Order 7.3) shall apply.

8. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS

8.1 Custody of Seal

8.1.1 The Common Seal of the Trust shall be kept by the Chief Executive or a nominated manager by them in a secure place.

8.2 Sealing of Documents

8.2.1 Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two senior managers duly authorised by the Chief Executive, and not also from the originating department, and shall be attested by them.

8.3 Register of Sealing

8.3.1 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.

8.4 Use of Seal – General Guide

8.4.1 The seal should be used for:

-) all contracts for the purchase/lease of land and/or buildings
-) all contracts for capital works exceeding £100,000
-) all lease agreements where the annual lease charge exceeds £10,000 per annum and the period of the lease exceeds beyond five years
-) any other lease agreement where the total payable under the lease exceeds £100,000
-) any contracts or agreements with organisations other than NHS or other government bodies including local authorities where the annual costs exceed or are expected to exceed £100,000.

8.5 Signature of Documents

8.5.1 Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director.

8.5.2 In land transactions, the signing of certain supporting documents will be delegated to Managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

9. MISCELLANEOUS

9.1 Standing Orders to be Given to Members and Officers

9.1.1 It is the duty of the Chief Executive to ensure that existing members and officers and all new appointees are notified of and understand their responsibilities within Standing Orders and Standing Financial Instructions.

9.2 Review of Standing Orders

9.2.1 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.

9.3 Joint Finance Arrangements

See overlap with Standing Financial Instruction 10.3 "Joint Finance Arrangements with Local Authorities".

9.3.1 The Board may confirm contracts to purchase from a local authority using its powers under Section 75 of the NHS Act 2006. The Board may confirm contracts to transfer money from the NHS to 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.

Title	Review of Standing Orders, Standing Financial Instructions, Scheme of Delegation & Scheme of Reservation
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1. Executive Summary

- 1.1 The annual review of the Trust's Standing Orders, Standing Financial Instructions, Scheme of Delegation and Scheme of Reservation has been carried out.
- 1.2 The review highlighted suggested amendments to the existing Standing Orders, Standing Financial Instructions, Scheme of Delegation and Scheme of Reservation, which can be found in the Policies section of the Trust web-site.

2. Background

- 2.1 The Trust is required to adopt Standing Orders for the regulation of its proceedings and business. It must also adopt Standing Financial Instructions, a Scheme of Delegation and a Scheme of Reservation as integral parts of Standing Orders, setting out the responsibilities of individuals and committees.
- 2.2 Under its Terms of Reference, the Audit Committee is required to review the adequacy of the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements. The policies are based on model Department of Health documents, modified as necessary to reflect Trust specific details.
- 2.3 All these documents are reviewed annually, in line with best practice.

3. Proposed Amendments

The amendments are as follows:

1. Director of Finance changed to Director of Finance and Strategy in all documents.
2. Changed Chairman to Chair in all documents.

Standing Orders

1. Replaced NHS Act 1977 with NHS Act 2006
2. Replaced Local Involvement Networks (LiNks) with Healthwatch England.
3. Removed Appendix 1 as guidance replaced by Managing Conflicts of Interest in the NHS. This is now incorporated in the Trusts Code of Business Conduct, including Managing Conflicts of Interest Policy.
4. Added 1.4.31 & 1.4.32 for definitions of a "Motion" and NHS Improvement/England.
5. Removed paragraphs 5.12 & 5.1.3 as not relevant to the Trust as referred to Section 16B of NHS Act 1977- Exercise of functions by Primary Care Trusts.
6. Removed NHS Trust Development Authority as incorporated into NHSI/E.
7. Referenced the Health and Social Care Act 2012 throughout.

8. Added paragraph 2.2.2 Appointment of Associate Non-Executive Directors.
9. Added paragraph 2.11 for Acting up Arrangements.
10. Added paragraph 3.8 for Written Resolutions.
11. Added paragraph 3.20 for Meetings held by electronic means.

Standing Financial Instructions (SFIs)

1. Removed Section 3 on Resource Limit Control and Section 10 on Commissioning as not relevant to NHS Trusts.
2. Minor amendments to terminology.
3. Replaced NHS Act 1977 with NHS Act 2006 throughout.
4. Removed NHS Protect and replaced with the NHS Counter Fraud Authority.
5. Removed PASA and replaced with NHS Supply Chain.
6. Removed reference to Healthcare Commission and Standards of Better Healthcare as now CQC.
7. Replaced reference to Standards of Business conduct as guidance replaced by Managing Conflicts of Interest in the NHS.
8. Replaced a number of Acts in 7.6.9 (ii) as now within Equality Act 2010.
9. Replaced Deputy Director of Finance with Head of Finance.
10. Changed Data Protection Act 1998 to Data Protection Act 2018.
11. Added paragraph 6.1.3 on due diligence checks for new customers per Internal Audit recommendation.
12. Added to paragraph 10.2.6 (vi) to exempt off-framework emergency agency staff from an official order as agreed by the Agency Working Group and changed per recommendation from Internal Audit.

Scheme of Delegation

1. Reference to SFIs as SFIs renumbered.
2. Removed reference to Appendix 1 in Standing Orders as no longer relevant and replaced with reference to the Trusts Code of Business Conduct, including Managing Conflicts of Interest Policy.
3. Changed Transformational and CIP Programme Board to Benefits Realisation Group.

Scheme of Reservation

1. Minor amendments to terminology.

4. Recommendation

The Trust Board is asked to review and approve the amendments to Scheme of Delegation, Standing Financial Instructions, Standing Orders and the Scheme of Reservation, as recommended by the Audit Committee on 1 October.

Policies, Procedures, Guidelines and Protocols

Document Details		
Title	Scheme of Delegation	
Trust Ref No		
Local Ref (optional)		
Main points the document covers	This scheme details the levels of delegation the Board gives to individuals & committees	
Who is the document aimed at?	All staff	
Author	Head of Financial Accounting	
Approval process		
Approved by (Committee/Director)	Trust Board	
Approval Date	November 2019	
Initial Equality Impact Screening	Yes	
Full Equality Impact Assessment	No	
Lead Director	Ros Preen, Director of Finance and Strategy	
Category	Finance	
Sub Category	Standing Orders	
Review date	September 2020	
Distribution		
Who the policy will be distributed to	Distributed to senior staff as defined by Directors	
Method	Electronically to senior staff & available to all staff via the Trust web-site	
Document Links		
Required by CQC		
Required by NHLISA		
Other		
Amendments History		
No	Date	Amendment
1	April 2014	Amendments to section 5(quotations/tendering) & section 10 (disposals) plus other amendments to terminology
2	May 2015	Significant amendments to section 2 (capital scheme approval), section 6 (charitable fund expenditure), section 9 (redundancy & early retirements) & section 34 (new & core business developments) Other minor amendments
3	January 2016	Amendment to section 8 (engagement of staff not on the establishment) relating to consultancy
4	November 2016	Amend Audit Committee responsibilities to reflect role as Auditor Panel
5	November 2017	Changed references to 'Estates Advisor' and replaced with 'Director of Finance'
6	September 2018	New section 35; requirement for PDC or loan draw down utilisation request authorised signatories. Added 'Associate Director of Finance' alongside Director of Finance and Director.
7	September 2019	Reference to SFIs as SFIs renumbered Removed reference to Appendix 1 in SO's as no longer relevant and replaced with reference to the Trusts Code of Business Conduct, including Managing Conflicts of Interest Policy. Changed Transformational & CIP Programme Board to Benefits Realisation Group

**Shropshire Community Health NHS Trust
Scheme of Delegation**

DELEGATED MATTER		AUTHORITY DELEGATED TO	REFER TO
1.	Management of Budgets (responsibility of keeping expenditure within budgets)		
a)	At individual budget level (pay & non-pay)	Budget Manager or Resource Manager or Service Lead	SFIs - Section 3
b)	At Directorate/Service or Board level	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 3
c)	For all other areas	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 3
d)	Approving spend exceeding the tender price by up to 10% or £15,000 whichever is higher	Chief Executive	SFIs – Section 7
2A	Non-Pay Revenue Expenditure Requisitioning/Payment		
a)	Requisitions/payments up to £1,000	Service Lead	SFIs – Section 10
b)	Requisitions/payments up to £5,000	Resource Manager	SFIs – Section 10
c)	Requisitions/payments up to £15,000	Budget Manager	SFIs – Section 10
d)	Requisitions/payments up to £50,000	Senior Budget Manager (Operations Directorate only)	SFIs – Section 10
e)	Requisitions/payments up to £75,000	Director of Finance and Strategy or Associate Director of Finance	SFIs – Section 10
f)	Requisitions/payments from £75,000 to £500,000	Director and Director of Finance and Strategy or Associate Director of Finance or Chief Executive	SFIs – Section 10
g)	Orders exceeding 12-month period - in addition to a) to f) above	Director of Finance and Strategy or Associate Director of Finance or Chief Executive	SFIs - Section 10
2B	Capital Expenditure Requisitioning/ Payment (for schemes already approved)		
a)	Requisitions/payments up to £50,000	Director of Finance and Strategy or Associate Director of Finance	SFIs – Section 10
b)	Requisitions/payments over £50,000	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 10
2C	Approval of Capital Schemes		
a)	Schemes up to £100,000	Capital & Estates Group	SFIs – Section 10
b)	Schemes over £100,000	Resource & Performance Committee	SFIs - Section 10
3.	Authorised Signatory List		
a)	Maintenance of, and additions to, list of authorised signatories	Chief Executive or Director of Finance and Strategy or Associate Director of Finance	SFIs – Sections 9 & 10
4.	Capital Schemes & Leases		
a)	Selection of architects, quantity surveyors, and other professional advisors	Director of Finance and Strategy or Associate Director of Finance	
b)	Financial monitoring and reporting on all capital scheme expenditure	Director of Finance and Strategy or Associate Director of Finance	SFIs – Section 13
c)	Signing and termination of leases with annual rent up to £100,000	Director of Finance and Strategy or Associate Director of Finance	
d)	Signing and termination of leases with annual rent from £100,000 to £250,000	Chief Executive	
e)	Extensions to existing leases	Director of Finance and Strategy or Associate Director of Finance	
f)	Letting of premises to outside organisations	Director of Finance and Strategy or Associate Director of Finance	

**Shropshire Community Health NHS Trust
Scheme of Delegation**

DELEGATED MATTER		AUTHORITY DELEGATED TO	REFER TO
g)	Approval of rent based on professional assessment	Director of Finance and Strategy or Associate Director of Finance	
h)	Preparation & signature of tenancy agreement for staff	Director of Finance and Strategy or Associate Director of Finance	

5.	Quotation, Tendering & Contracting		
a)	Obtaining a minimum of 2 written or electronic quotations for goods/services from £10,000 to £20,000	Head of Procurement or Director of Finance and Strategy or Associate Director of Finance or Budget Manager	SFIs - Sections 7 & 10
b)	Obtaining a minimum of 3 written or electronic quotations for goods/services from £20,001 to £50,000	Head of Procurement or Director of Finance and Strategy or Associate Director of Finance or Budget Manager	SFIs - Sections 7 & 10
c)	Obtaining a minimum of 3 written or electronic competitive tenders for goods/services from £50,001 to £75,000	Head of Procurement and Director of Finance and Strategy or Associate Director of Finance	SFIs - Sections 7 & 10
d)	Obtaining a minimum of 4 written or electronic competitive tenders for goods/services from £75,001 to £250,000	Head of Procurement and Director of Finance and Strategy or Associate Director of Finance (under seal or electronic equivalent)	SFIs - Sections 7 & 10
e)	Obtaining a minimum of 6 written or electronic competitive tenders for goods/services from £250,001 to £600,000	Head of Procurement and Director of Finance and Strategy or Associate Director of Finance and Chief Executive (under seal or electronic equivalent)	SFIs - Sections 7 & 10
f)	Obtaining written or electronic quotations where orders over £5,000 are placed for more than one Trust	Head of Procurement	SFIs - Sections 7 & 10
g)	Obtaining written or electronic competitive tenders where orders over £50,000 are placed for more than one Trust	Head of Procurement	SFIs - Sections 7 & 10
h)	Waiving of quotations and tenders subject to Standing Financial Instructions	Director of Finance and Strategy or Associate Director of Finance or Chief Exec, and Head of Procurement	SFIs - Sections 7 & 10
i)	Opening tenders	Any two Senior Managers not involved in this procurement	SFIs - Sections 7 & 10
j)	Opening quotations	Head of Procurement or Director of Finance and Strategy or Associate Director of Finance	SFIs - Sections 7 & 10

6.	Expenditure on Charitable Funds		
a)	Requisitions/payments up to £1,000	Resource Manager	SFIs - Section 10 & 18
b)	Requisitions/payments up to £3,000	Budget Manager	SFIs - Section 10 & 18
c)	Requisitions/payments up to £20,000	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 10 & 18

7.	Setting of Fees and Charges		
a)	Private patient, overseas visitors, income generation & other patient-related services	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 6
b)	Costing of Service Level Agreements	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 6 & 8

**Shropshire Community Health NHS Trust
Scheme of Delegation**

DELEGATED MATTER		AUTHORITY DELEGATED TO	REFER TO
8.	Engagement of Staff not on the Establishment		
a)	Non-medical consultancy staff where total commitment is less than £50,000	Director of Finance and Strategy or Associate Director of Finance	
b)	Non-medical consultancy staff where total commitment is £50,000 or more	Director <u>and</u> Director of Finance and Strategy or Associate Director of Finance (<i>through completion & submission of NHSI business case template</i>)	
c)	Engagement of Trust's solicitors	Chief Executive	
d)	Booking of locums & bank/agency staff	Service Lead	

9.	Workforce and Pay		
a)	Filling funded posts on the establishment with permanent staff	Service Lead	SFIs - Section 9
b)	Appointing staff to posts not on the formal establishment	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Chief Executive	SFIs - Section 9
c)	Granting of additional increments to staff within budget	Director of Corporate Affairs <u>and</u> Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 9
d)	Requests for re-grading to be dealt with in accordance with Trust procedures	Director of Corporate Affairs	HR Policies
e)	Completing ESR forms effecting pay, new starters, variations and leavers	Service Lead	SFIs - Section 9
f)	Authorising overtime	Service Lead	SFIs - Section 9
g)	Authorising travel & subsistence expenses	Team Leader	SFIs - Section 9
h)	Reviews of performance & recommendations on terms & conditions of employment of Directors	Nominations, Appointments & Remuneration Committee	SFIs - Section 9
i)	<u>Leave</u> :-		
	i) Approval of annual leave	Service Lead	HR Policies
	ii) Approval of annual leave carry forward	Service Lead	HR Policies
	iii) Approval of compassionate leave up to 4 days	Service Lead	HR Policies
	iv) Approval of special leave up to 5 days	Service Lead	HR Policies
	v) Approval of leave without pay	Service Lead	HR Policies
	vi) Approval of time off in lieu	Service Lead	HR Policies
	vii) Approval of maternity leave – paid & unpaid	Service Lead	HR Policies
j)	<u>Sick Leave</u> :-		
	i) Extension of sick leave on half pay up to three months	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Director of Corporate Affairs	HR Policies
	ii) Return to work part-time on full pay to assist recovery for up to 4 weeks	Budget Manager	HR Policies
	iii) Extension of sick leave on full pay	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Director of Corporate Affairs	HR Policies
k)	<u>Study Leave</u> :-		
	i) Study leave outside the UK	Chief Executive	HR Policies
	ii) Medical staff study leave (UK)	Medical Director (<u>and</u> Budget Manager if different)	HR Policies
	iii) All other study leave (UK)	Service Lead	HR Policies
l)	Authorising payment of relocation/removal expenses incurred by officers taking up new appointments (must be agreed at interview)	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Director of Corporate Affairs	Relocation Policy

**Shropshire Community Health NHS Trust
Scheme of Delegation**

DELEGATED MATTER		AUTHORITY DELEGATED TO	REFER TO
m)	Grievances cases to be dealt with in accordance with the Trust's Grievance Procedure	Director of Finance and Strategy or Associate Director of Finance of Corporate Affairs	Grievance Procedure
n)	Authorising posts as car users	Budget Manager	Lease Car Policy
o)	Renewal of fixed-term contract	Budget Manager	SFIs - Section 9
p)	Authorising extensions of contract beyond normal retirement age in exceptional circumstances	Budget Manager	HR Policies
q)	Redundancy payments, pay in lieu of notice & early retirement where there is a cost to the Trust – up to £15,000	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Director of Corporate Affairs	HR Policies
r)	Redundancy payments, pay in lieu of notice & early retirement where there is a cost to the Trust – over £15,000	Director of Finance and Strategy or Associate Director of Finance <u>and</u> the Nominations, Appointments & Remuneration Committee	SFIs – Section 9 HR Policies
s)	Decision to pursue retirement on the grounds of ill-health	Budget Manager <u>and</u> Director of Corporate Affairs	HR Policies
t)	Dismissal	Budget Manager <u>and</u> Director of Corporate Affairs	HR Policies

10.	Condemning and Disposal (of items which are obsolete, redundant, or irreparable)		
a)	Disposal of x-ray films	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 15
b)	Disposal of vehicles	Car Leasing Officer <u>and</u> Budget Manager	SFIs - Section 15
c)	Disposal of capital equipment on the asset register where there will be a financial loss	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 15
d)	Disposal of all other items	Budget Manager	SFIs - Section 15

11.	Write-Off of Losses and Compensation Payments		
a)	Losses of cash (except those due to fraud or known theft) up to £50	Director of Finance and Strategy or Associate Director of Finance	SFIs – Section 15
b)	Losses of cash due to fraud, theft, overpayment & other causes up to £50,000	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Chief Executive	SFIs - Section 15
c)	Fruitless payments (including abandoned capital schemes)		
	) Up to £50 (usually rail travel)	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 15
	) Between £51 and £250,000	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Chief Executive	SFIs - Section 15
d)	Bad debts & claims abandoned up to £50,000	Director of Finance and Strategy or Associate Director of Finance <u>and</u> Chief Executive	SFIs - Section 15
e)	Damage to buildings, fittings, furniture & equipment, & loss of equipment & property in stores & in use up to £50,000	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 15
f)	Compensation payments made under legal obligation up to £10,000	Director of Finance and Strategy or Associate Director of Finance or Chief Executive	SFIs - Section 15
g)	Extra-contractual payments to contractors up to £10,000	Director of Finance and Strategy or Associate Director of Finance or Chief Executive	SFIs - Section 15

**Shropshire Community Health NHS Trust
Scheme of Delegation**

DELEGATED MATTER		AUTHORITY DELEGATED TO	REFER TO
h)	Payments to patients & staff for loss of personal effects:-		
	) Up to £50	Budget Manager	SFIs - Section 15
	) Between £51 and £2,000.	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 15
	) Between £2,001 and £5,000	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 15
	) Between £5,001 and £10,000	Chief Executive	SFIs - Section 15
i)	Payments for clinical negligence negotiated settlements following legal advice up to £1,000,000	Director of Finance and Strategy or Associate Director of Finance and Chief Executive	SFIs – Section 15
j)	Payments for personal injury claims involving negligence (where legal advice has been obtained & guidance applied) up to £10,000 (including plaintiff's costs)	Director of Corporate Affairs	SFIs – Section 15
k)	Payments for personal injury claims involving negligence (where legal advice has been obtained & guidance applied) between £10,001 and £100,000 (including plaintiff's costs)	Director of Finance and Strategy or Associate Director of Finance and Chief Executive	SFIs – Section 15
l)	Other compensation payments (except cases of maladministration where there was no financial loss by claimant) up to £10,000	Chief Executive	SFIs – Section 15
12.	Maintenance/Operation of Bank Accounts	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 5
13.	Maintenance & Update of Trust Finance Procedures	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 1
14.	Implementation of Internal and External Audit Recommendations	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 2
15.	Reporting of Incidents to the Police		
a)	Where a criminal offence is suspected	Director of Finance and Strategy or Associate Director of Finance	Fraud Plan
b)	Where a fraud is involved	Director of Finance and Strategy or Associate Director of Finance	Fraud Plan
16.	Insurance	Director of Finance and Strategy or Associate Director of Finance	SFIs – Section 21
17.	Risk Management	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 21
18.	Patients' and Relatives' Complaints		
a)	Overall responsibility for ensuring that all complaints are dealt with effectively	Director of Corporate Affairs	Complaints Procedure
b)	Responsibility for ensuring complaints are investigated thoroughly	Director of Finance and Strategy or Associate Director of Finance	Complaints Procedure
c)	Medical & legal complaints - co-ordination of their management	Director of Corporate Affairs	Complaints Procedure
19.	Authorising Research Projects	Medical Director	
20.	Authorising Clinical Trials	Medical Director	

**Shropshire Community Health NHS Trust
Scheme of Delegation**

DELEGATED MATTER		AUTHORITY DELEGATED TO	REFER TO
21.	Reviewing statutory compliance legislation and Health & Safety requirements	Director of Corporate Affairs	Health & Safety Policy Risk Mgt Policy
22.	Reviewing fire precautions	Director of Finance and Strategy or Associate Director of Finance	Fire Procedures
23.	Reviewing compliance with environmental regulations e.g. relating to clean air and waste disposal	Director of Finance and Strategy or Associate Director of Finance	Statutory Standards
24.	Facilities for staff not employed by the Trust to gain practical experience		
a)	Professional recognition, honorary contracts & insurance of clinical staff.	Director of Finance and Strategy or Associate Director of Finance	
b)	Work experience students	Service Lead	
25.	Monitoring proposals for contractual arrangements between the Trust & outside bodies	Director of Finance and Strategy or Associate Director of Finance	
26.	Reviewing the Trust's compliance with the Freedom of Information Act	Director of Corporate Affairs <u>and</u> Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 15
27.	Reviewing the Trust's compliance with the Data Protection Act	Director of Finance and Strategy	SFIs - Section 16
28.	Keeping a Declaration of Interests Register	Director of Corporate Affairs	Standing Orders – No. 7
29.	Attestation of sealing's in accordance with Standing Orders	Chief Executive	Standing Orders – No. 8
30.	Keeping the Sealing's Register	Director of Corporate Affairs	Standing Orders – No. 8
31.	Keeping the Hospitality Register	Director of Corporate Affairs	Code of Business Conduct, including Managing Conflicts of Interest Policy SFIs – Section 19
32.	Retention of records	Director of Finance and Strategy or Associate Director of Finance	SFIs - Section 21
33.	Receiving & Handling Petitions	Chief Executive	Mgt Guidance on Petitions

**Shropshire Community Health NHS Trust
Scheme of Delegation**

34. New & Core Business Developments and Healthcare Contracts			
Contribution*/ Margin Income	=<3%	3-10%	>10%
>£750k	Trust Board	Trust Board	Resource & Performance Committee
£250k - £750k	Trust Board	Resource & Performance Committee	Benefits Realisation Group
£100k - £250k	Resource & Performance Committee	Benefits Realisation Group	Chief Executive / Director of Finance and Strategy / Associate Director of Finance / Director of Operations
<£100k	Benefits Realisation Group	Chief Executive / Director of Finance and Strategy / Associate Director of Finance / Director of Operations	Director of Finance and Strategy / Associate Director of Finance / Director of Operations

*Contribution = Income less variable cost (variable cost = all additional costs incurred specifically to generate the additional income)

	DELEGATED MATTER	AUTHORITY DELEGATED TO	REFER TO
35.	Loan or PDC Utilisation Request		
a)	For draw down of PDC from DHSC, two authorised signatories are required: For draw down of Loan from DHSC, one signatory is required being the nominated representative as stated in the board minute.	Chief Executive, Director of Finance and Strategy, Associate Director of Finance, Deputy Director of Finance, Head of Management Accounts, Head of Financial Accounts, Head of Costing & Contracting.	SFIs – Section 11

Note

In all cases where amounts are higher than those listed in the Scheme of Delegation, approval must be by the Board.

DELEGATION TO COMMITTEES

AUDIT COMMITTEE

-) Overview of assurance controls and risk management processes to ensure that they are comprehensive and fit for purpose, taking an integrated view combining clinical and non-clinical factors. While other Committees will have responsibility for ensuring the identification and management of risks in their specific areas, the Audit Committee has overall responsibility for ensuring that assurances exist and are sufficient across all risk areas, and that the overall risk management system is functioning effectively.
-) Maximising the contribution made by Internal Audit by approving the annual audit plan, review performance against that plan, receiving audit reports and ensuring that agreed recommendations have been acted upon.
-) Ensuring that a whistle blowing policy is in place.
-) Scrutiny of the Annual Accounts.
-) Acting as the Trust's Auditor Panel, advising on the appointment of External Auditors.
-) Management of the relationship with External Auditors, including making recommendations on their appointment, approving the annual plan, receiving reports and ensuring that appropriate action is taken on any advice given or recommendations agreed.

QUALITY AND SAFETY COMMITTEE

-) Monitoring progress on the Trust's quality improvement plan.
-) Monitoring performance indicators of outcomes of service delivery and quality.
-) Review of clinical risks, and of non clinical corporate risks (excluding specifically finance and business risks which are in the remit of the Resources and Performance Committee), their management and assurances, including the structure and reporting of any other groups of committees engaged in clinical quality or safety activities. (Note: the Quality and Safety Committee ensures the management of clinical and corporate risks including obtaining assurances, while the Audit Committee has overall responsibility for testing and ensuring that assurances and overall assurance systems are adequate).
-) Commissioning and monitoring evidence of the patient experience, including reviewing complaints and the processes for handling them.
-) Monitoring of the Trust's systems for reporting, analysing and learning from serious untoward incidents.
-) Scrutiny of the Trust's quality accounts.
-) Monitoring the effectiveness of clinical audit.

NOMINATIONS, APPOINTMENTS & REMUNERATION COMMITTEE

-) Succession planning and development of Trust senior managers.
-) Overseeing the appointment of Executive Directors.
-) Approving remuneration of Executive Directors

RESOURCE & PERFORMANCE COMMITTEE

-) Monitoring of financial and business performance indicators.
-) Review of financial control systems including the annual budget setting process.
-) Monitoring achievement of Cost Improvement Programmes and QIPP schemes.
-) Review of performance and performance control systems.
-) Review of business risks, their management and assurances, including the areas of markets and competition, compliance, health and safety, environment, reputation, business continuity, information security, workforce and performance. (Note: the Resources and Performance Committee ensures the management of financial and performance risks while the Audit Committee has overall responsibility for ensuring that assurances and assurance systems are adequate).
-) Review of business cases.
-) Review of capital investment programme and making recommendations to the Board on prioritisation.
-) Review of procedures governing the investment of surplus working capital.

CHARITABLE FUNDS COMMITTEE

-) Review and management of the investment of charitable funds, including approval of the Charitable Funds Annual Accounts and Report.

Policies, Procedures, Guidelines and Protocols

Document Details		
Title	Scheme of Reservation	
Trust Ref No		
Local Ref (optional)		
Main points the document covers	This document details decisions reserved for the Board	
Who is the document aimed at?	All staff	
Author	Head of Financial Accounting	
Approval process		
Approved by (Committee/Director)	Trust Board	
Approval Date	November 2019	
Initial Equality Impact Screening	Yes	
Full Equality Impact Assessment	No	
Lead Director	Ros Preen, Director of Finance and Strategy	
Category	Finance	
Sub Category	Standing Orders	
Review date	September 2020	
Distribution		
Who the policy will be distributed to	Distributed to senior staff as defined by directors	
Method	Electronically to senior staff & available to all staff via the Trust web-site	
Document Links		
Required by CQC		
Required by NHLA		
Other		
Amendments History		
No	Date	Amendment
1	September 2018	D.15 changed reference to 'NHS Litigation Authority' and replaced with 'NHS Resolution'
2	September 2019	Minor amendments to terminology
3		
4		
5		

SHROPSHIRE COMMUNITY HEALTH NHS TRUST SCHEME OF RESERVATION

DECISIONS RESERVED TO THE BOARD

A. General Enabling Provision

1. The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.

B. Regulations and Control

1. Approval, variation and amendment of Standing Orders (SOs), a Scheme of Reservation and Standing Financial Instructions (SFIs) for the regulation of its proceedings and business.
2. Suspension of Standing Orders.
3. Ratifying any urgent decisions taken by the Chair or Chief Executive in public session in accordance with SO 5.2.
4. Approval of a Scheme of Delegation of powers from the Board to committees.
5. Requiring and receiving the declaration of Board members' interests which may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration.
6. Requiring and receiving the declaration of officers' interests which may conflict with those of the Trust.
7. Approval of arrangements for dealing with complaints.
8. Adoption of the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.
9. Receipt of reports from committees including those which the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on.
10. Confirmation of the recommendations of the Trust's committees where the committees do not have executive powers.
11. Approval of arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for charitable funds.
12. Establishing terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.
13. Approval of arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.
14. Authorising the use of the seal.
15. Disciplining of members of the Board or employees who are in breach of statutory requirements or SOs.
16. Ratifying or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6.

C. Appointments/ Dismissal

1. Appointment of the Vice Chair of the Board.
2. Appointment and dismissal of committees (and individual members) that are directly accountable to the Board.
3. Appointment, appraisal, disciplining and dismissal of Executive Directors subject to SO 2.2.
4. Confirmation of appointment of members of any committee of the Trust as representatives on outside bodies.
5. Appointment appraisal, disciplining and dismissal of the Secretary (if the appointment of a

DECISIONS RESERVED TO THE BOARD

Secretary is required under SOs).

6. Approving the proposals of the Appointments, Nomination & Remuneration Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Appointments, Nomination & Remuneration Committee.

D. Strategy, Plans and Budgets

1. Definition of the strategic aims and objectives of the Trust.
2. Identification of the key strategic risks, evaluation of them and ensuring that adequate responses are in place and are monitored.
3. Approval of proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.
4. Approval of the Trust's policies and procedures for the management of risk.
5. Approval of Outline and Final Business Cases for Capital Investment.
6. Approval of budgets.
7. Approval annually of the Trust's proposed organisational development proposals.
8. Ratification of proposals for acquisition, disposal or change of use of land and/or buildings
9. Approval of PFI proposals.
10. Approval of the opening of bank accounts.
11. Approval of proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £100,000 over a 3 year period or the period of the contract if longer.
12. Approval of proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance and Strategy or Associate Director of Finance and other officers (for losses and special payments) previously approved by the Board.
13. Approval of individual compensation payments.
14. Approval of proposals for action on litigation against or on behalf of the Trust.
15. Review of the use of the NHS Resolution risk pooling schemes (LPST/CNST/RPST).

E. Policy Determination

1. Approval of management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.

F. Audit

1. Receiving the annual management letter received from the External Auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.
2. Receiving the annual report from the Internal Auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.

DECISIONS RESERVED TO THE BOARD

G. Annual Report and Accounts

1. Receipt and approval of the Trust's Annual Report and Annual Accounts.
2. Receipt and approval of the Annual Report and Annual Accounts for Charitable Funds.

H. Monitoring

1. Receipt of such reports as the Board sees fit from committees in respect of its 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 Department of Health shall be reported, at least in summary, to the Board.
3. Receipt of reports from the Director of Finance and Strategy or Associate Director of Finance on actual and forecast income from SLAs.

Document Details		
Title	Standing Financial Instructions	
Trust Ref No		
Local Ref (optional)		
Main points the document covers	These instructions set out the arrangements for financial systems and good financial governance within the Trust	
Who is the document aimed at?	All staff	
Author	Head of Financial Accounting	
Approval process		
Approved by (Committee/Director)	Trust Board	
Approval Date	November 2019	
Initial Equality Impact Screening	Yes	
Full Equality Impact Assessment	No	
Lead Director	Ros Preen, Director of Finance and Strategy	
Category	Finance	
Sub Category	Standing Orders	
Review date	September 2020	
Distribution		
Who the policy will be distributed to	Distributed to senior staff as defined by Directors	
Method	Electronically to senior staff & available to all staff via the Trust web-site	
Document Links		
Required by CQC		
Required by NHSR		
Other		
Amendments History		
No	Date	Amendment
2	April 2014	Minor amendments to terminology & updates in line with current practice
3	May 2015	Amend para 10.2.6 to refer to corporate credit card Minor amendments to terminology
4	November 2016	Changes to reflect external auditors now being appointed by the Auditor Panel not the Audit Commission
5	November 2017	Para 5.3 – changed reference to ‘Manual for Accounts’ and replaced with “ <i>Government Accounting Manual</i> .” Para 6.3.1 (i) – remove reference to ‘OPG’ (Office of Paymaster General) and replaced with “ <i>RBS</i> ” (<i>The Royal Bank of Scotland</i>). Para 8.7.2 – changed the number of quotations required from ‘2 to 3’ and replaced with “2 to 6” in line with scheme of delegation. Para 8.8.1 – changed the authorisation of tender and competitive quotations values in line with the section 5 of the scheme of delegation. Para 8.9 (i), (ii) - changed references to ‘NHS Logistics’ and replaced with ‘ <i>NHS Supply Chain</i> ’.

Policies, Procedures, Guidelines and Protocols

6	September 2018	<p>Para 13.1.5 - add requirement that loan utilisation request requires one signature, and stated in the board minute.</p> <p>Para 13.1.7 – new NHSI PDC draw down signatory requirement. Changed references to ‘NHS Litigation Authority’ to ‘NHS Resolution’ instead.</p> <p>Removed para 22 payments to independent contractors as it is not applicable.</p> <p>Added ‘Associate Director of Finance’ alongside Director of Finance, Para 1.2.11 explains the authority level of the Associate Director of Finance.</p>
7	September 2019	<p>Removed Section 3 and 10 as not relevant.</p> <p>Minor amendments to terminology</p> <p>Replaced NHS Act 1977 with NHS Act 2006 throughout.</p> <p>Removed NHS Protect and replaced with the NHS Counter Fraud Authority</p> <p>Removed PASA and replaced with NHS Supply Chain</p> <p>Removed reference to Healthcare Commission and Standards of Better Healthcare as now CQC.</p> <p>Replaced reference to Standards of Business conduct as guidance replaced by Managing Conflicts of Interest in the NHS.</p> <p>Replaced a number of Acts in 7.6.9 (ii) as now within Equality Act 2010.</p> <p>Replaced Deputy Director of Finance with Head of Finance.</p> <p>Changed Data Protection Act 1998 to Data Protection Act 2018</p> <p>Added para 6.1.3 on due diligence checks for new customers per Internal Audit recommendation.</p> <p>Added to para 10.2.6 (vi) to exempt off-framework emergency agency staff from an official order as agreed by the Agency Working Group and changed per recommendation from Internal Audit.</p>

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1. INTRODUCTION

1.1. General

- 1.1.1. These Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State which require that each Trust shall agree SFIs for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders.
- 1.1.2 These SFIs 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 Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Scheme of Reservation and the Scheme of Delegation adopted by the Trust.
- 1.1.3 These SFIs 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 and Strategy or Associate Director of Finance.
- 1.1.4. Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance and Strategy or Associate Director of Finance must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 1.1.5. Failure to comply with SFIs and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.
- 1.1.6. Overriding SFIs – if for any reason these SFIs 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 Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these SFIs to the Director of Finance and Strategy or Associate Director of Finance as soon as possible.

1.2. Interpretation and Definitions

- 1.2.1 "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.

- 1.2.2 "**Trust**" means the Shropshire Community Health NHS Trust.
- 1.2.3 "**Board**" means the Chair, executive Directors and non-executive Directors of the Trust collectively as a body.
- 1.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.2.5 "**Director**" means the Director with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.
- 1.2.6 "**Budget Manager**" means second level delegation by a Director to another Senior Manager. They can either be an employee of the Trust or of another organisation and be authorised by the Director.
- 1.2.7 "**Resource Manager**" means third level delegation by a Budget Manager to another Senior Manager. They can either be an employee of the Trust or of another organisation and be authorised by the Director.
- 1.2.8 "**Service Lead**" means an officer who has delegated responsibility from a Resource Manager for the day-to-day management of a defined budget. They can either be an employee of the Trust or of another organisation and be authorised by the Director.
- 1.2.9 "**Chair of the Board (or Trust)**" is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chair of the Trust" shall be deemed to include the Vice-Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.
- 1.2.10 "**Chief Executive**" means the chief officer of the Trust.
- 1.2.11 "**Director of Finance and Strategy**" or "**Associate Director of Finance**" means the chief financial officer of the Trust.
- 1.2.12 "**Quality & Safety Committee**" means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of health care for which the Trust has responsibility.
- 1.2.13 "**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.
- 1.2.14 "**Committee**" means a committee or sub-committee created and appointed by the Trust.

- 1.2.15 "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.16 "**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.
- 1.2.17 "**Funds Held on Trust**" means those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under Part 11 (eleven) of the NHS Act 2006,. Such funds may or may not be charitable.
- 1.2.18 "**Member**" means Executive or Non-Executive Director of the Board as the context permits. Member in relation to the Board does not include its Chair.
- 1.2.19 "**Associate Member**" means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.
- 1.2.20 "**Membership, Procedure and Administration Arrangements Regulations**" means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.
- 1.2.21 "**Nominated officer**" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.22 "**Non-executive member**" means a member of the Trust who is not a Director of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 1.2.23 "**Officer**" means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.24 "**Officer member**" means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chair of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- 1.2.25 "**Secretary**" means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance.
- 1.2.26 "**SFIs**" means Standing Financial Instructions.

- 1.2.27 "**SOs**" mean Standing Orders.
- 1.2.28 "**Vice-Chair**" means the Non-Executive Director appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.
- 1.2.29 Wherever the title Chief Executive, Director of Finance and Strategy or Associate Director of Finance, or other nominated officer is used in these instructions, it shall be deemed to include such other Director or employees who have been duly authorised to represent them. This will include officers from another NHS organisation where shared service arrangements are in place.
- 1.2.30 Wherever the term "employee" is used and where the context permits it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

1.3. Responsibilities and Delegation

- 1.3.1. The Trust Board
The Board exercises financial supervision and control by:
- (i) formulating the financial strategy;
 - (ii) requiring the submission and approval of budgets within an approved control total.;
 - (iii) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
 - (iv) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.
- 1.3.2. 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 "Scheme of Reservation" document. All other powers have been delegated to such other Committees as the Trust has established.
- 1.3.3. The Chief Executive and Director of Finance and Strategy or Associate Director of Finance
The Chief Executive and Director of Finance and Strategy or Associate Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control. Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board and, as Accountable Officer, to the Secretary of State, 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.
- 1.3.4. It is a duty of the Chief Executive to ensure that members of the Board and employees and all new appointees are notified of, and put

in a position to understand, their responsibilities within these Instructions.

1.3.5. The Director of Finance and Strategy or Associate Director of Finance

The Director of Finance and Strategy or Associate Director of Finance is responsible for:

- (i) implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies;
- (ii) 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;
- (iii) 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.

In addition, without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the Director of Finance and Strategy or Associate Director of Finance include:

- (iv) the provision of financial advice to other members of the Board and employees;
- (v) the design, implementation and supervision of systems of internal financial control;
- (vi) 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.

1.3.6. Board Members and Employees

All members of the Board and employees, severally and collectively, are responsible for:

- (i) the security of the property of the Trust;
- (ii) avoiding loss;
- (iii) exercising economy and efficiency in the use of resources;
- (iv) conforming with the requirements of Standing Orders, SFIs, Financial Procedures and the Scheme of Delegation.

1.3.7. 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.

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

2. AUDIT

2.1. Audit Committee

2.1.1 An independent Audit Committee is a central means by which a Board ensures effective internal control arrangements are in place. In accordance with Standing Orders the Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2018) to perform the following tasks :-

- (i) Ensuring there is an effective Internal Audit function established by management, that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board;
- (ii) Acting as the Trust's Auditor Panel (the main function being to advise on the appointment of external auditors), reviewing the work and findings of the external auditors and considering the implications of and management's responses to their work;
- (iii) Reviewing the findings of other significant assurance functions, both internal and external to the organisation, and considering the implications for the governance of the organisation;
- (iv) Ensuring that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board;
- (v) Reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- (vi) 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;
- (vii) Monitoring compliance with Standing Orders and SFIs;
- (viii) Reviewing schedules of losses and compensations and making recommendations to the Board;
- (ix) Reviewing the Annual Report and annual financial statements and recommending their approval to the Board;
- (x) Reviewing the External Auditors report on the financial statements and the annual management letter;

- (xi) Reviewing any incident of fraud or corruption or possible breach of ethical standards or legal or statutory requirements that could have a significant impact on the Trust's published financial accounts or reputation;
 - (xii) Reviewing major findings from Internal and External Audit reports and ensure appropriate action is taken;
 - (xiii) Reviewing "value for money" audits reporting on the effectiveness and efficiency of the selected departments or activities;
 - (xiv) Reviewing the mechanisms and levels of authority (e.g. Standing Orders, SFIs, Delegated Limits) and make recommendations to the Trust Board;
 - (xv) Reviewing the scope of both Internal and External Audit including the agreement on the number of audits per year for approval by the Trust Board;
 - (xvi) Reviewing waivers to Standing Orders;
 - (xvii) Reviewing hospitality and sponsorship registers;
 - (xviii) Reviewing the information prepared to support the controls assurance statements prepared on behalf of the Board and advising the Board accordingly.
 - (xix) Reviewing all appropriate security management related issues.
- 2.1.2 The minutes of the Audit Committee meetings shall be formally recorded by the Trust Secretary and submitted to the Board. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action. The Committee will report to the Board annually on its work in support of the Statement of Internal Control, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and embeddedness of risk management in the organisation, the integration of governance arrangements and the appropriateness of the self-assessment against the Key Lines of Enquiry (KLOEs) inspected by CQC.
- 2.1.3 Where the Audit 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 Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health.

2.2 Director of Finance and Strategy

2.2.1 The Director of Finance and Strategy or Associate Director of Finance is responsible for:

- (i) 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;
- (ii) ensuring that the Internal Audit function meets the NHS mandatory audit standards and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer;
- (iii) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (iv) ensuring that an annual Internal Audit report is prepared for the consideration of the Audit Committee and the Board. The report must cover:
 -) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
 -) major internal financial control weaknesses discovered;
 -) progress on the implementation of Internal Audit recommendations;
 -) progress against plan over the previous year;
 -) strategic audit plan covering the coming three years;
 -) a detailed plan for the coming year.

2.2.2 The Director of Finance and Strategy or Associate Director of Finance or designated Internal or External Auditors are entitled without necessarily giving prior notice to require and receive:

- (i) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- (ii) access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
- (iii) the production of any cash, stores or other property of the Trust under a member of the Board and or an employee's control;
- (iv) explanations concerning any matter under investigation.

2.3. Role of Internal Audit

2.3.1 Internal Audit is an independent and objective appraisal service within an organisation which provides:

- (i) an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance, support the achievement of the organisation's agreed objectives;
- (ii) an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

2.3.2 Internal Audit will review, appraise and report upon policies, procedures and operations in place to:

- (i) establish and monitor the achievement of the organisation's objectives;
- (ii) identify, assess and manage the risks to achieving the organisation's objectives;
- (iii) ensure the economical, effective and efficient use of resources;
- (iv) ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- (v) safeguard the organisation's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption;
- (vi) ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

2.3.3 The Head of Internal Audit will provide to the Audit Committee:

- (i) a risk-based plan of Internal Audit work, agreed with management and approved by the Audit Committee, based upon the management's Assurance Framework that will enable the auditors to collect sufficient evidence to give an opinion on the adequacy and effective operation of the organisation;
- (ii) regular updates on the progress against plan;
- (iii) reports of management's progress on the implementation of action agreed as a result of Internal Audit findings;

- (iv) an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This opinion is used by the Board to inform the Statement of Internal Control;
- (v) additional reports as requested by the Audit Committee.

2.3.4 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 and Strategy or Associate Director of Finance must be notified immediately.

2.3.5 The Head of Internal Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chair and Chief Executive of the Trust.

2.3.6 The Head of Internal Audit reports to the Audit Committee and is managed by the Director of Finance and Strategy or Associate Director of Finance. The reporting system for Internal Audit shall be agreed between the Director of Finance and Strategy or Associate Director of Finance, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.

2.3.7 The appointment and termination of the Head of Internal Audit and/or the Internal Audit Service must be approved by the Audit Committee.

2.4 External Audit

2.4.1 The External Auditor is appointed by the Audit Committee acting as the Auditor Panel. The Audit Committee must ensure a cost effective and efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with them.

2.5 Fraud and Corruption

2.5.1 Finance Under the NHS Standard Contract, the Trust are required to put in place and maintain appropriate arrangements to address counter fraud issues having regard to the NHS Counter Fraud Authority Standards for NHS Providers. The clauses relating to counter-fraud are set out in Service Condition 24 of the contract. As a consequence, and in line with their responsibilities, the Trust Chief Executive and Director of Finance and Strategy or Associate Director of Finance shall monitor and ensure compliance with the NHS Standard Contract and the NHS Counter Fraud Authority Standards for NHS Providers.

- 2.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by the NHS Counter Fraud Authority NHS Counter Fraud Manual, Standards for NHS Providers, and other guidance published.
- 2.5.3 The LCFS shall report to the Trust Director of Finance and Strategy or Associate Director of Finance and shall work with staff in the NHS Counter Fraud Authority in accordance with the NHS Counter Fraud Authority NHS Counter Fraud Manual, Standards for NHS Providers, and other guidance published.
- 2.5.4 The NHS Counter Fraud Authority requires the Trust to provide an annual statement of assurance against the fraud, bribery and corruption Standards for NHS Providers. This statement of assurance is provided through the completion of a Self-Review Tool.
- 2.5.5 The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

2.6 Security Management

- 2.6.1 The Trust are required under Service Condition 24 of the NHS Standard Contract to put in place and maintain appropriate arrangements to address security management issues, having regard to previously published NHS security management standards (Standards for Providers), and other guidance issued.
- 2.6.2 In line with previously published Standards for Providers and other guidance, the Chief Executive has overall responsibility for controlling and coordinating security. However, these tasks are delegated to the Trust Director of Finance and Strategy or Associate Director of Finance in the role of Security Management Director, who shall monitor and ensure compliance with the previously published Standards for Providers, and other guidance issued.
- 2.6.3 The Trust shall nominate a suitable accredited person to carry out the duties of the Local Security Management Specialist (LSMS), taking into account previously published guidance on NHS Security Management.
- 2.6.4 The LSMS shall report to the Trust Director of Finance and Strategy or Associate Director of Finance in accordance with the previously published Standards for Providers, and other guidance issued
- 2.6.5 The LSMS will provide a written report, at least annually, on security management work within the Trust.

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

3.1. Preparation and Approval of Plans and Budgets

3.1.1. The Chief Executive will compile and submit to the Board a Local Delivery Plan (LDP) which takes into account financial targets and forecast limits of available resources. The plan will contain:

- (i) a statement of the significant assumptions on which the plan is based;
- (ii) details of major changes in workload, delivery of services or resources required to achieve the plan.

3.1.2. Prior to the start of the financial year the Director of Finance and Strategy or Associate Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:

- (i) be in accordance with the aims and objectives set out in the LDP;
- (ii) accord with workload and manpower plans;
- (iii) be produced following discussion with appropriate budget managers;
- (iv) be prepared within the limits of available funds;
- (v) identify potential risks.

3.1.3. The Director of Finance and Strategy or Associate Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board.

3.1.4. All budget managers must provide information as required by the Director of Finance and Strategy or Associate Director of Finance to enable budgets to be compiled.

3.1.5. All budget managers will sign up to their allocated budgets at the commencement of each financial year.

3.1.6. The Director of Finance and Strategy or Associate Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget managers to help them manage effectively.

3.2. Budgetary Delegation

- 3.2.1. 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:
- (i) the amount of the budget;
 - (ii) the purpose(s) of each budget heading;
 - (iii) individual and group responsibilities;
 - (iv) authority to exercise virement;
 - (v) achievement of planned levels of service;
 - (vi) the provision of regular reports.
- 3.2.2. The Chief Executive and delegated budget managers must not exceed the budgetary total or virement limits set by the Board.
- 3.2.3. 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.
- 3.2.4. 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 and Strategy or Associate Director of Finance.

3.3. Budgetary Control and Reporting

- 3.3.1. The Director of Finance and Strategy or Associate Director of Finance will devise and maintain systems of budgetary control. These will include:-
- (i) monthly financial reports to the Board in a form approved by the Board, containing:
 -) income and expenditure to date showing trends and forecast year-end position;
 -) Statement of Financial Position;
 -) movements in cash and capital;
 -) capital project spend and projected outturn against plan;
 -) explanations of any material variances from plan;
 -) details of any corrective action where necessary, and the Chief Executive's and/or Director of Finance and Strategy or Associate Director of Finance's view of whether such actions are sufficient to correct the situation.
 - (ii) the issue of timely, accurate and comprehensible advice and financial reports to each budget manager, covering the areas for which they are responsible;

- (iii) investigation and reporting of variances from financial, workload and manpower budgets;
- (iv) monitoring of management action to correct variances; and
- (v) arrangements for the authorisation of budget transfers.

3.3.2 Each Budget Manager is responsible for ensuring that:

- (i) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
- (ii) 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;
- (iii) 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.

3.3.3. The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Local Delivery Plan and a balanced budget.

3.4 Capital Expenditure

3.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are in SFI No.13).

3.5. Monitoring Returns

3.5.1 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 and Strategy or Associate Director of Finance, on behalf of the Trust, will:
- (i) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
 - (ii) prepare and submit annual financial reports to the Department of Health certified in accordance with current guidelines;
 - (iii) submit financial returns to the Department of Health for each financial year in accordance with the timetable prescribed by the Department of Health.
- 4.2 The Trust's annual accounts must be audited by an auditor appointed by the Auditor Panel. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.
- 4.3 The Trust will publish an Annual Report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the Department of Health's Group Accounting Manual.

5. BANK AND GBS ACCOUNTS

5.1. General

5.1.1. The Director of Finance and Strategy or Associate Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust Board on the provision of banking services and operation of accounts. This advice will take into account guidance/directions issued from time to time by the Department of Health. In line with "Cash Management in the NHS" Trusts should minimise the use of commercial bank accounts and consider using Government Banking Services (GBS) accounts for all banking services.

5.1.2. The Board shall approve the banking arrangements.

5.2. Bank and GBS Accounts

5.2.1. The Director of Finance and Strategy or Associate Director of Finance is responsible for:

- (i) bank accounts and Government Banking Service (GBS) accounts;
- (ii) establishing separate bank accounts for the Trust's non-exchequer funds;
- (iii) ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
- (iv) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn;

5.3. Banking Procedures

5.3.1. The Director of Finance and Strategy or Associate Director of Finance will prepare detailed instructions on the operation of bank and GBS accounts, which must include:

- (i) the conditions under which each bank and GBS account is to be operated;
- (ii) those authorised to sign cheques or other orders drawn on the Trust's accounts;

5.3.2. The Director of Finance and Strategy or Associate 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

- 5.4.1 The Director of Finance and Strategy or Associate 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.
- 5.4.2 Competitive tenders should be sought at least every 5 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

- 6.1.1. The Director of Finance and Strategy or Associate Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collecting and coding of all monies due.
- 6.1.2. The Director of Finance and Strategy or Associate Director of Finance is also responsible for the prompt banking of all monies received.
- 6.1.3. When creating significant new customers due diligence and background checks will be carried out.

6.2. Fees and Charges

- 6.2.1. The Trust shall follow NHS Improvement's advice in the Approved Costing Guidance in informing and setting prices for NHS service agreements.
- 6.2.2. The Director of Finance and Strategy or Associate 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 NHS England's Managing Conflicts of Interest in the NHS shall be followed.
- 6.2.3. All employees must inform the Director of Finance and Strategy or Associate 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.

6.3. Debt Recovery

- 6.3.1. The Director of Finance and Strategy or Associate Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 6.3.2. Income not received should be dealt with in accordance with losses procedures.
- 6.3.3. Overpayments should be detected (or preferably prevented) and recovery initiated.

6.4 Security of Cash, Cheques and Other Negotiable Instruments

- 6.4.1. The Director of Finance and Strategy or Associate Director of Finance is responsible for:
- (i) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - (ii) ordering and securely controlling any such stationery;
 - (iii) 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;
 - (iv) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 6.4.2. Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- 6.4.3. 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 and Strategy or Associate Director of Finance.
- 6.4.4. 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.
- 6.4.5. To comply with money laundering legislation, under no circumstances will the Trust accept cash payments in excess of £10,000 in respect of any single transaction. Any attempts by an individual to effect payment above this amount should be notified immediately to the Director of Finance and Strategy or Associate Director of Finance.

6.5 Income Generation

- 6.5.1 The Director of Finance and Strategy or Associate Director of Finance is responsible for carrying out a full financial appraisal of all proposed schemes, and producing documented procedures advising scheme proposers of the correct format for submission, and the factors which will be considered when deciding whether or not to approve an income generation scheme.
- 6.5.2 The appropriate Director is responsible for preparing a Memorandum Trading Account in respect of each income generation scheme with a turnover in excess of £50,000.

7. TENDERING AND CONTRACT PROCEDURE

7.1 Duty to comply with Standing Orders and Standing Financial Instructions

7.1.1 The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order 3.14 "Suspension of Standing Orders" is applied).

7.2 EU Directives Governing Public Procurement

7.2.1 Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

7.3 Reverse E-Auctions

7.3.1 The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse E-Auctions. For further guidance on Reverse E-Auctions refer to <https://www.gov.uk/guidance/eauctions>

7.4 Capital regime, investment and property business case approval guidance and Other NHS Improvement Guidance

7.4.1 The Trust shall comply as far as is practicable with the requirements of NHS Improvement's "Capital regime, investment and property business case approval guidance for NHS providers and the Department of Health guidance on the efficient management of healthcare estates and facilities (HBN 00-08) ". In the case of management consultancy contracts the Trust shall comply as far as is practicable with NHS Improvements guidance Consultancy spending approval criteria for providers.

7.5 Formal Competitive Tendering

7.5.1 General Applicability

The Trust shall ensure that competitive tenders are invited for:-

-) the supply of goods, materials and manufactured articles;
-) the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
-) the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens);
-) for disposals.

7.5.2 Healthcare Services

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure, and need to be read in conjunction with Standing Financial Instruction No.8 "NHS Service Agreements for Provision of Services".

7.5.3 Exceptions and instances where formal tendering need not be applied

Formal tendering procedures need not be applied where:-

- (i) the estimated expenditure or income does not, or is not reasonably expected to, exceed £50,000;
- (ii) where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with;
- (iii) regarding disposals as set out in Standing Financial Instruction No.15 "Disposals and Condemnations, Losses and Special Payments".

Formal tendering procedures may be waived in the following circumstances:-

- (iv) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- (v) where the requirement is covered by an existing contract;
- (vi) where NHS Supply Chain agreements are in place and have been approved by the Board;
- (vii) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- (viii) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- (ix) where specialist expertise is required and is available from only one source;
- (x) when 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;
- (xi) where 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;
- (xii) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Director of

Finance and Strategy or Associate Director of Finance will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

- (xiii) Where allowed and provided for in the Capital regime, investment and property business case approval guidance for NHS providers
- (xiv) Where the League of Friends is paying for an item and has specified the supplier.

The waiving of competitive tendering procedures 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.

Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and authorised by the Director of Finance and Strategy or Associate Director of Finance or Chief Executive.

7.5.4 Fair and Adequate Competition

Where the exceptions set out in 7.5.3 above apply, 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 two firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

7.5.5 List of Approved Firms

The Trust shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. Where in the opinion of the Director of Finance and Strategy or Associate Director of Finance it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive (see Standing Financial Instruction 7.6.9 "List of Approved Firms").

7.5.6 Building and Engineering Construction Works

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with Concode) without Departmental of Health approval.

7.5.7 Items which subsequently breach thresholds after original approval

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive, and be recorded in an appropriate Trust record.

7.6 Contracting/Tendering Procedure

7.6.1 Paper based or electronic tenders

The tendering process may be entirely paper based, using an electronic tendering system, or part using a system (e.g. sending out invitations to tender electronically, but receiving tenders back on paper). The following paragraphs indicate where the tendering process is different between paper and electronic.

7.6.2 Invitation to tender

- (i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (ii) For paper tenders, all invitations to tender shall state that no tender will be accepted unless :-
 -) submitted in a plain, sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "Tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated manager;
 -) that tender envelopes/packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- (iii) For electronic tenders, the invitation shall state that only tenders submitted electronically will be considered.
- (iv) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- (v) Every tender for building and engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard Forms of Contract amended to comply with Concode; or when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical 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 Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health/ NHS Improvements guidance and, in minor respects, to cover special features of individual projects.

- (vi) Every tenderer must have given, or give, a written undertaking not to engage in collusive tendering or other restrictive practice.

7.6.3 Receipt and safe custody of tenders

- (i) For paper tenders, the Chief Executive or his/her nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

- (ii) For electronic tenders, the tenders are locked automatically until the published date and time of opening. The date and time of receipt of each tender is stored electronically.

7.6.4 Opening tenders and register of tenders

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders they shall be opened by two senior officers/managers designated by the Chief Executive and not from the originating department. The "originating department" will be taken to mean the department responsible for sponsoring or commissioning the tender.
- (ii) The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Director of Finance and Strategy or Associate Director of Finance or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to open tenders.
- (iii) All Executive Directors/members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department. The Trust's Company Secretary will count as a Director for the purposes of opening tenders.
- (iv) For paper tenders, every tender received shall be marked with the date of opening and initialled by those present at the opening. This will be automatic for electronic tenders.
- (v) A register shall be maintained by the Chief Executive, or a person authorised by him/her, to show for each set of competitive tender invitations despatched :-
 -) the names of all firms/individuals invited;

-) the names of firms/individuals from which tenders have been received;
-) the date the tenders were received and opened;
-) the persons present at the opening;
-) the price shown on each tender;
-) a note where price alterations have been made on the tender and suitably initialled;
-) a note if any one tender price has had so many alterations that it cannot be readily read or understood.

Each entry on this register shall be signed by those present.

- (vi) 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/her own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders (see 8.6.6 below).

7.6.5 Admissibility

- (i) If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive.
- (ii) Where only one tender is sought and/or received, the Chief Executive and Director of Finance and Strategy or Associate Director of Finance shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

7.6.6 Late tenders

- (i) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or his/her nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.
- (ii) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive or his/her nominated officer or if the process of evaluation and adjudication has not started.
- (iii) While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration, the tender

documents shall be kept strictly confidential, recorded and kept in safe custody by the Chief Executive or his/her nominated officer.

- (iv) Accepted late tenders will be reported to the Board.

7.6.7 Acceptance of formal tenders

- (i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his/her tender before the award of a contract will not disqualify the tender.
- (ii) The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.
It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:-
 -)] experience and qualifications of team members;
 -)] understanding of client's needs;
 -)] feasibility and credibility of proposed approach;
 -)] ability to complete the project on time.Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.
- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
- (iv) The use of these procedures must demonstrate that the award of the contract was not in excess of the going market rate/price current at the time the contract was awarded, and that best value for money was achieved.
- (v) All tenders should be treated as confidential and should be retained for inspection.

7.6.8 Tender reports to the Trust Board

Reports to the Trust Board will be made on an exceptional circumstance basis only.

7.6.9 List of approved firms

- (i) Responsibility for maintaining list
A manager nominated by the Chief Executive shall on behalf of the Trust maintain lists of approved firms from whom tenders and quotations may be invited. These shall be kept under frequent review. The lists shall include all firms who have applied for permission to tender and as to whose technical and financial competence the Trust is satisfied. All suppliers must be made aware of the Trust's terms and conditions of contract.
- (ii) Building and engineering construction works
Invitations to tender shall be made only to firms included on the approved list of tenderers compiled in accordance with this Instruction or on the separate maintenance lists compiled in accordance with Estmancode guidance (Health Notice HN(78)147).
- Firms included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of the Equality Act 2010 and any amending and/or related legislation.
- Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.
- (iii) Financial standing and technical competence of contractors
The Director of Finance and Strategy or Associate Director of Finance may make or institute any enquiries he/she deems appropriate concerning the financial standing and financial suitability of approved contractors. The Director with lead responsibility for clinical governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical/medical competence.

7.6.10 Exceptions to using approved contractors

If in the opinion of the Chief Executive and the Director of Finance and Strategy or Associate Director of Finance or the Director with lead responsibility for clinical governance it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for

whatever reason has not been prepared, the Chief Executive should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote. An appropriate record in the contract file should be made of the reasons for inviting a tender or quote other than from an approved list.

7.7 Quotations: Competitive and Non-Competitive

7.7.1 General position on quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 but not exceed £50,000.

7.7.2 Competitive quotations

- (i) Quotations should be obtained from 2 to 6 firms/individuals (in line with the Scheme of Delegation) based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (ii) Quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so, in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- (iii) All quotations should be treated as confidential and should be retained for inspection.
- (iv) 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 quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

7.7.3 Non-competitive quotations

Non-competitive quotations in writing may be obtained in the following circumstances:-

- (i) the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
- (ii) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- (iii) miscellaneous services, supplies and disposals;
- (iv) where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI apply.

7.7.4 Quotations to be within financial limits

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive or Director of Finance and Strategy or Associate Director of Finance.

7.8 Authorisation of Tenders & Competitive Quotations

7.8.1 Providing all the conditions and circumstances set out in these SFIs have been fully complied with, formal authorisation of a contract may be decided by the following staff to the value of the contract as follows :-

- | | |
|---|-----------------|
| (i) Designated Budget Manager | Up to £50,000 |
| (ii) Directors & Head of Procurement | Up to £75,000 |
| (iii) Directors & Head of Procurement (under seal) | Up to £250,000 |
| (iv) Chief Executive & Director of Finance and Strategy or Associate Director of Finance & Head of Procurement (under seal) | Up to £600,000. |
| (v) Trust Board | Over £600,000 |

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

7.8.3 Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in their minutes.

7.9 Instances Where Formal Competitive Tendering or Competitive Quotation is Not Required

7.9.1 Where competitive tendering or a competitive quotation is not required, the Trust should adopt one of the following alternatives:-

- (i) the Trust shall use NHS Supply Chain for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.
- (ii) if the Trust does not use NHS Supply Chain - where tenders or quotations are not required, because expenditure is below £10,000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance and Strategy or Associate Director of Finance.

7.10 Private Finance for Capital Procurement

(See overlap with Standing Financial Instruction No.13).

7.10.1 The Trust should normally market-test for PFI (Private Finance Initiative funding) when considering a capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

- (i) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (ii) Where the sum exceeds delegated limits, a business case must be referred to the NHS Improvement for approval or treated as per current guidelines.
- (iii) The proposal must be specifically agreed by the Trust Board.
- (iv) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

7.11 Compliance Requirements for all Contracts

7.11.1 The Board may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Secretary of State and shall comply with the following:

- (i) The Trust's Standing Orders and SFIs;
- (ii) EU Directives and other statutory provisions;
- (iii) Any relevant directions/guidance;;
- (iv) Such of the NHS Standard Contract Conditions as are applicable;
- (v) Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;
- (vi) 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;
- (vii) In all contracts made by the Trust, the Board shall endeavour 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.

7.12 Personnel and Agency or Temporary Staff Contracts

7.12.1 The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

7.13 Healthcare Services Agreements

(See overlap with Standing Financial Instruction No.8).

7.13.1 Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the NHS and Community Care Act 1990 and administered by the Trust. Service agreements are not contracts in law and are not enforceable by the

courts. However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable in law.

7.14 Disposals

(See overlap with Standing Financial Instruction No.15).

7.14.1 Competitive Tendering or Quotation procedures shall not apply to the disposal of:

- (i) 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 their nominated officer;
- (ii) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- (iii) items to be disposed of with an estimated sale value of less than £100 this figure to be reviewed on a periodic basis;
- (iv) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (v) land or buildings concerning which Department of Health guidance has been issued but subject to compliance with such guidance.

7.15 In-House Services

7.15.1 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.

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

- (i) Specification group, comprising the Chief Executive or nominated officer/s and specialist.
- (ii) In-house tender group, comprising a nominee of the Chief Executive and technical support.
- (iii) Evaluation team, comprising normally a specialist officer, a supplies officer and a Director of Finance and Strategy or Associate Director of Finance representative.

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

7.15.4 The evaluation team shall make recommendations to the Board.

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

7.16 Applicability of SFIs on Tendering and Contracting to Funds Held on Trust

(See overlap with Standing Financial Instruction No.18).

7.16.1 These instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from the Trust's trust funds and private resources.

8. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES

(See overlap with Standing Financial Instruction No.7.13)

8.1 Service Level Agreements (SLAs)

8.1.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable SLAs with service commissioners for the provision of NHS Services.

8.1.2 All SLAs should aim to implement the agreed priorities contained within the Local Delivery Plan (LDP) 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);
-) the provision of reliable information on cost and volume of services;
-) the NHS Outcomes Framework;
-) that SLAs build where appropriate on existing Joint Investment Plans;
-) that SLAs are based on integrated care pathways;
-) that SLAs are based upon cost-effective services.

8.2 Involving Partners and Jointly Managing Risk

8.2.1 A good SLA will result from a dialogue of clinicians, users, carers, public health 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 SLA 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.

8.3 Reports to the Board on SLAs

8.3.1 The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA. This will include information on costing arrangements, which increasingly should be based upon Healthcare Resource Groups (HRGs). Where HRGs are unavailable for specific services, all parties should agree a common currency for across the range of SLAs.

9. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EMPLOYEES

9.1 Remuneration and Terms of Service

(See overlap with Standing Order No.4).

9.1.1. In accordance with Standing Orders the Board shall establish a Nominations, Appointments and Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition and the arrangements for reporting (see NHS guidance contained in the Higgs report).

9.1.2. The Committee will:

- (i) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors employed by the Trust and other senior employees including :-
 -) all aspects of salary (including any performance-related elements/ bonuses);
 -) provisions for other benefits, including pensions and cars;
 -) arrangements for termination of employment and other contractual terms;
- (ii) make such recommendations to the Board on the remuneration and terms of service of Executive Directors of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff where appropriate;
- (iii) monitor and evaluate the performance of individual Executive Directors (and other senior employees);
- (iv) 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;
- (v) Approve any redundancy payments over £15,000.

9.1.3. The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Executive Directors. Minutes of the Board's meetings should record such decisions.

9.1.4. 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 officers not covered by the Committee.

9.1.5. The Trust will pay allowances to the Chair, and Non-Executive Directors of the Board in accordance with instructions issued by the Secretary of State for Health.

9.2. Funded Establishment

9.2.1. The manpower plans incorporated within the annual budget will form the funded establishment.

9.2.2. The funded establishment of any department may not be varied without the approval of the Chief Executive or the delegated officer.

9.3. Staff Appointments

9.3.1. No officer or member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary basis, or hire agency staff, or agree to changes in any aspect of remuneration:

- (i) unless authorised to do so by the Chief Executive, or the officer(s) so delegated; and
- (ii) within the limit of their approved budget and funded establishment.

9.3.2. The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, conditions of service etc. for employees.

9.4 Processing of Payroll

9.4.1 "Payroll" includes payments for all hours worked at agreed rates, Statutory Sick and Maternity Pay, Annual Leave, Travel and Subsistence Expenses, Relocation Expenses and any other employment related payments authorised by the Trust Board.

9.4.2. The Director of Finance and Strategy or Associate Director of Finance is responsible for:

- (i) specifying timetables for submission of properly authorised time records and other notifications;
- (ii) the final determination of pay and allowances;
- (iii) making payment on agreed dates; and
- (iv) agreeing method of payment.

9.4.3. The Director of Finance and Strategy or Associate Director of Finance will issue instructions regarding:

- (i) verification and documentation of data;
- (ii) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- (iii) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- (iv) security and confidentiality of payroll information;
- (v) checks to be applied to completed payroll before and after payment;
- (vi) authority to release payroll data under the provisions of the Data Protection Act;
- (vii) methods of payment available to various categories of employees and officers;
- (viii) procedures for payment by cheque, bank credit or cash to employees and officers;
- (ix) procedures for the recall of cheques and bank credits;
- (x) pay advances and their recovery;
- (xi) maintenance of regular and independent reconciliation of pay control accounts;
- (xii) separation of duties of preparing records and handling cash;
- (xiii) 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.

9.4.4. Appropriately nominated managers have delegated responsibility for:

- (i) submitting time records and other notifications in accordance with agreed timetables;
- (ii) completing time records and other notifications in accordance with the Director of Finance and Strategy's or Associate Director of Finance instructions, and in the form prescribed by the Director of Finance and Strategy or Associate Director of Finance;
- (iii) 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 fulfil obligations in circumstances that suggest they have left without notice, the Director of Finance and Strategy or Associate Director of Finance must be informed immediately.

- 9.4.5. Regardless of the arrangements for providing the payroll service, the Director of Finance and Strategy or Associate Director of Finance 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.

9.5. Contracts of Employment

9.5.1. The Board shall delegate responsibility to an officer for:

- (i) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and
- (ii) dealing with variations to, or termination of, contracts of employment.

10. NON-PAY EXPENDITURE

10.1. Delegation of Authority

10.1.1. The Board will approve the level of non-pay expenditure on an annual basis, and the Chief Executive will determine the level of delegation to budget managers (see the Scheme of Delegation for details).

10.1.2. The Chief Executive will set out:

- (i) the list of managers who are authorised to place requisitions for the supply of goods and services;
- (ii) the maximum level of each requisition, and the system for authorisation above that level.

10.1.3. The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

10.2. Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

(See overlap with Standing Financial Instruction No.7).

10.2.1. Requisitioning

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 advisor on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance and Strategy or Associate Director of Finance (and/or the Chief Executive) shall be consulted.

10.2.2. System of Payment and Payment Verification

The Director of Finance and Strategy or Associate Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

10.2.3. The Director of Finance and Strategy or Associate Director of Finance will:

- (i) 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 Financial Instructions and regularly reviewed;
- (ii) prepare procedural instructions (where not already provided in the Scheme of Delegation or procedure notes for budget managers) on the obtaining of goods, works and services, incorporating the thresholds;

- (iii) be responsible for the prompt payment of all properly authorised accounts and claims;
- (iv) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - (a) a list of Board members and employees (including specimens of their signatures) authorised to certify invoices;
 - (b) 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.
 - (c) a timetable and system for submission to the Director of Finance and Strategy or Associate 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;
 - (d) instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (v) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI 10.2.4 below.

10.2.4 Prepayments

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

- (i) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- (ii) The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. 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.
- (iii) The Director of Finance and Strategy or Associate 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 the stipulated financial threshold).
- (iv) The budget manager 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

10.2.5 Official orders

Official orders must:

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

10.2.6 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 Strategy or Associate Director of Finance, and that:

- (i) 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 and Strategy or Associate Director of Finance in advance of any commitment being made;
- (ii) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;

- (iii) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health;
- (iv) 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:
 - a. isolated gifts of a trivial character, or inexpensive seasonal gifts, such as calendars;
 - b. conventional hospitality, such as lunches in the course of working visits.

This provision needs to be read in conjunction with the principles outlined in national guidance contained in the Trusts Policy Code of Business Conduct, including Managing Conflicts of interest.
- (v) no requisition/order is placed for any item or items for which there is no budget provision, unless authorised by the Director of Finance and Strategy or Associate Director of Finance on behalf of the Chief Executive;
- (vi) all goods, services or works are ordered on an official order, except works and services executed in accordance with a contract, or off – framework emergency agency staff and purchases from petty cash;
- (vii) 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”;
- (viii) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (ix) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (x) changes to the list employees and officers authorised to certify invoices are notified to the Director of Finance and Strategy or Associate Director of Finance;
- (xi) purchases from petty cash and the corporate credit card are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance and Strategy or Associate Director of Finance;
- (xii) petty cash records are maintained in a form as determined by the Director of Finance and Strategy or Associate Director of Finance.

10.2.7 The Chief Executive and Director of Finance and Strategy or Associate Director of Finance shall 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. The technical audit of these Contracts shall be the responsibility of the relevant Director.

10.3 Joint Finance Arrangements with Local Authorities

(See overlap with Standing Order 9.3 “Joint Finance Arrangements”).

10.3.1 Payments to local authorities made under the powers of section 75 of the NHS Act 2006 shall comply with procedures laid down by the Director of Finance and Strategy or Associate Director of Finance which shall be in accordance with that Act.

11. EXTERNAL BORROWING AND INVESTMENTS

11.1 External Borrowing

- 11.1.1 The Director of Finance and Strategy or Associate 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, within the limits set by the Department of Health. The Director of Finance and Strategy or Associate Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- 11.1.2 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 and Strategy or Associate Director of Finance.
- 11.1.3 The Director of Finance and Strategy or Associate Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 11.1.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash-flow position, represent good value for money, and comply with the latest guidance from the Department of Health.
- 11.1.5 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 and Strategy or Associate Director of Finance. The Board must be made aware of all short term borrowings at the next Board meeting. For loan draws NHSI require an utilisation request with one signature, the nominated representative as stated in the board minute.
- 11.1.6 All long-term borrowing must be consistent with the plans outlined in the current LDP and be approved by the Trust Board.
- 11.1.7 For PDC draws two signatures are required on the utilisation request; the signatories are individuals who are authorised by the Board under the Trust's Standing Financial Instructions, and Scheme of Delegation to make the request for funding. The following authorised individuals are able to sign PDC utilisation requests:

Chief Executive;
Director of Finance and Strategy;
Associate Director of Finance;
Head of Finance;
Head of Management Accounting;
Head of Financial Accounting;
Head of Costing & Contracting

NHSI also require a Capital Cash Flow Forecast template to be completed with the signed utilisation request.

11.2 Investments

11.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.

11.2.2 The Director of Finance and Strategy or Associate Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.

11.2.3 The Director of Finance and Strategy or Associate Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

12. FINANCIAL FRAMEWORK

- 12.1. The Director of Finance and Strategy or Associate Director of Finance should ensure that members of the Board are aware of the Operating Framework. This document contains directions, which the Trust must follow. The Director of Finance and Strategy or Associate Director of Finance should also ensure that the direction and guidance in the framework is followed by the Trust.

13. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

13.1 Capital Investment

13.1.1. The Chief Executive:-

- (i) 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;
- (ii) is responsible for the management of all stages of capital schemes, and for ensuring that schemes are delivered on time and to cost;
- (iii) 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.

13.1.2. For every capital expenditure proposal the Chief Executive shall ensure:-

- (i) that a business case (in line with the guidance contained within the Capital Investment Manual) is produced, setting out:
 -) an option appraisal of potential benefits compared with known costs, to determine the option with the highest ratio of benefits to costs;
 -) the involvement of appropriate Trust personnel and external agencies;
 -) appropriate project management and control arrangements;
- (ii) that the Director of Finance and Strategy or Associate Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

13.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of Estatecode.

13.1.4 The Director of Finance and Strategy or Associate 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.

13.1.5 The Director of Finance and Strategy or Associate Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

13.1.6 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:-

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

The Chief Executive will issue a Scheme of Delegation for capital investment management in accordance with Estatecode guidance and the Trust's Standing Orders.

13.1.7 The Director of Finance and Strategy or Associate Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects, and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes included in NHS Improvements Capital regime, investment and property business case approval guidance for NHS trusts and foundation trusts.

13.2. Private Finance

(See overlap with Standing Financial Instruction 7.10 "Private Finance for Capital Procurement").

13.2.1. 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 own or NHS resources, the following procedures shall apply:-

- (i) The Director of Finance and Strategy or Associate Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
- (ii) Where the sum involved exceeds delegated limits, the business case must be referred to NHS Improvement or in line with any current guidelines.
- (iii) The proposal must be specifically agreed by the Board.

13.3. Asset Registers

13.3.1. The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance and Strategy or Associate Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

13.3.2. Each Trust shall maintain an asset register recording capital assets. The minimum data set to be held within these registers shall be as

specified in the Capital Accounting Manual as issued by the Department of Health. This shall be expanded wherever possible.

- 13.3.3. Additions to the capital asset register must be clearly identified to an appropriate budget manager and be validated by reference to:
- (i) properly authorised and approved agreements, architect's certificates, supplier's invoices, and other documentary evidence in respect of purchases from third parties;
 - (ii) stores, requisitions and wages records for own materials and labour, including appropriate overheads;
 - (iii) lease agreements in respect of assets held under a finance lease and capitalised.
- 13.3.4. Where capital assets 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).
- 13.3.5. The Director of Finance and Strategy or Associate Director of Finance shall approve procedures for reconciling balances on capital assets accounts in ledgers against balances on capital asset registers.
- 13.3.6. The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual issued by the Department of Health.
- 13.3.7. The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual issued by the Department of Health.
- 13.3.8. The Director of Finance and Strategy or Associate Director of Finance of the Trust shall calculate and pay capital charges as specified in the Capital Accounting Manual issued by the Department of Health.

13.4. Security of Assets

- 13.4.1. The overall control of capital assets is the responsibility of the Chief Executive.
- 13.4.2. Asset control procedures (including capital assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance and Strategy or Associate Director of Finance. The procedures shall make provision for:
- (i) recording managerial responsibility for each asset;
 - (ii) identification of additions and disposals;
 - (iii) identification of all repairs and maintenance expenses;
 - (iv) physical security of assets;
 - (v) periodic verification of the existence of, condition of, and title to assets recorded;

- (vi) identification and reporting of all costs associated with the retention of an asset;
- (vii) reporting, recording and safekeeping of cash, cheques and negotiable instruments.

13.4.3. All discrepancies revealed by verification of physical assets to the capital asset register shall be notified to the Director of Finance and Strategy or Associate Director of Finance.

13.4.4. 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.

13.4.5. 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.

13.4.6. Where practical, assets should be marked as Trust property.

14. STORES AND RECEIPT OF GOODS

14.1 General Position

14.1.1. Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

-) kept to a minimum;
-) subjected to annual stock take;
-) valued at the lower of cost and net realisable value.

14.2 Control of Stores, Stocktaking, Condemnations and Disposals

14.2.1. Subject to the responsibility of the Director of Finance and Strategy or Associate 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/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance and Strategy or Associate Director of Finance. The control of Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer, the control of any fuel oil and coal of a designated Estates Manager.

14.2.2. The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.

14.2.3. The Director of Finance and Strategy or Associate 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.

14.2.4. Stocktaking arrangements shall be agreed with the Director of Finance and Strategy or Associate Director of Finance and there shall be a physical check covering all items in store at least once a year.

14.2.5. Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance and Strategy or Associate Director of Finance.

14.2.6. The designated manager/pharmaceutical officer shall be responsible for a system approved by the Director of Finance and Strategy or Associate 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 and Strategy or Associate 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 stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

14.3. Departmental Stores

14.3.1. Senior Managers are responsible for all goods stored in their departments and required for immediate use, and for systems for control of those stores.

14.4 Bankruptcies, Liquidations and Receiverships

14.4.1. The Director of Finance and Strategy or Associate Director of Finance should make every effort to appraise him/herself, at the earliest point possible, of the bankruptcy, liquidation or receivership of any supplier.

14.4.2. When a bankruptcy, liquidation or receivership is discovered, all payments should be ceased pending confirmation of the bankruptcy etc. As a matter of urgency, a statement must be prepared listing the amounts due to and from the Trust.

14.4.3 The Director of Finance and Strategy or Associate Director of Finance must ensure that any payments due by the Trust are made to the correct person.

14.4.4 The Director of Finance and Strategy or Associate Director of Finance must ensure that any claim by the Trust is properly lodged with the correct party, and without delay.

14.4.5 If the Trust has a contract with a person or body which is bankrupt etc., it normally has the right to summarily terminate the contract. However, there are ramifications arising from this and, in any case, it will probably be prudent to take legal advice.

15. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

15.1 Disposals and Condemnations

15.1.1 The Director of Finance and Strategy or Associate Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

15.1.2. 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 and Strategy or Associate Director of Finance, or officer so delegated by him/her, of the estimated market value of the item, taking account of professional advice where appropriate.

15.1.3. All unserviceable articles shall be:

- (i) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance and Strategy or Associate Director of Finance. The advice of the Supplies Department shall be sought regarding the manner of disposal, to ensure that such articles are disposed of safely and in accordance with any prevailing disposal regulations;
- (ii) recorded by the condemning officer in a form approved by the Director of Finance and Strategy or Associate 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 and Strategy or Associate Director of Finance.

15.1.4. 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 and Strategy or Associate Director of Finance who will take the appropriate action.

15.2 Losses and Special Payments

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

15.2.2 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 and Strategy or Associate 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 Strategy or Associate Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance and Strategy or Associate 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 and Strategy or Associate Director of Finance must inform the relevant Local Counter Fraud Specialist (LCFS) and the NHS Counter Fraud Authority, and in line with the Trust Anti-Fraud, Bribery and Corruption Response Policy.

- 15.2.3 The Director of Finance and Strategy or Associate Director of Finance must notify the NHS Counter Fraud Authority and the External Auditor of all frauds.
- 15.2.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance and Strategy or Associate Director of Finance must immediately notify the Board and the External Auditor.
- 15.2.5 Within limits delegated to it by the Department of Health, the Board shall approve the writing off of losses.
- 15.2.6 The Director of Finance and Strategy or Associate Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 15.2.7 For any loss, the Director of Finance and Strategy or Associate Director of Finance should consider whether any insurance claim can be made.
- 15.2.8 The Director of Finance and Strategy or Associate Director of Finance shall maintain a Losses and Special Payments Register, in which write-off action is recorded, and will produce an annual summary for consideration by the Audit Committee.
- 15.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.

16. INFORMATION TECHNOLOGY

16.1 Responsibilities and Duties of the Director of Finance and Strategy or Associate Director of Finance

16.1.1 The Director of Finance and Strategy or Associate Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

- (i) 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 2018;
- (ii) 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;
- (iii) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- (iv) 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.

16.1.2 The Director of Finance and Strategy or Associate 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.

16.1.3 The Head of Informatics 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.

16.2 Responsibilities and Duties of Other Directors and Officers in Relation to Computer Systems of a General Application

16.2.1 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trusts in the Region wish to sponsor jointly) all responsible Directors

and employees will send to the Director of Finance and Strategy or Associate Director of Finance :

- (i) details of the outline design of the system;
- (ii) in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

16.3 Contracts for Computer Services with Other Health Bodies or Outside Agencies

16.3.1 The Director of Finance and Strategy or Associate 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.

16.3.2 Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance and Strategy or Associate Director of Finance shall periodically seek assurances that adequate controls are in operation via an appropriate mechanism such as a service level agreement.

16.4 Risk Assessment

16.4.1 The Director of Finance and Strategy or Associate Director of Finance shall ensure that risks to the Trust rising from the use of I/T 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.

16.5 Requirements for Computer Systems Which Have an Impact on Corporate Financial Systems

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

- (i) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- (ii) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (iii) Director of Finance and Strategy or Associate Director of Finance staff have access to such data;

- (iv) such computer audit reviews as are considered necessary are being carried out.

17. PATIENTS' PROPERTY

- 17.1 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.
- 17.2 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 (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.
- 17.3 The Director of Finance and Strategy or Associate 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.
- 17.4 Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance and Strategy or Associate Director of Finance .
- 17.5 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.
- 17.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 17.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

18. FUNDS HELD ON TRUST

18.1 Corporate Trustee

18.1.1 Standing Order 2.8 “Corporate Role of the Board” outlines the Trust’s responsibilities as a corporate trustee for the management of funds it holds on trust. There is also a requirement for compliance with the Charities Commission latest guidance and best practice.

18.1.2 The discharge of the Trust’s corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

18.1.3 The Director of Finance and Strategy or Associate Director of Finance shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

18.2 Accountability to the Charity Commission and Secretary of State for Health

18.2.1 The trustee responsibilities must be discharged separately and full recognition given to the Trust’s dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for Health for all funds held on trust.

18.2.2 The Scheme of Reservation and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of funds are to be taken and by whom. All Trust Board members and Trust officers must take account of that guidance before taking action.

18.3 Applicability of SFIs to Funds Held on Trust

18.3.1 In so far as it is possible to do so, most of the sections of these SFIs will apply to the management of funds held on trust. (See overlap with Standing Financial Instruction No.7.16).

18.3.2 The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

19. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT

- 19.1 The Director of Finance and Strategy or Associate Director of Finance shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Trusts Code of Business Conduct, including Managing Conflicts of Interest and is also deemed to be an integral part of these Standing Orders and SFIs (see overlap with Standing Order No.7).

20. RETENTION OF RECORDS

- 20.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines.
- 20.2 The records held in archives shall be capable of retrieval by authorised persons.
- 20.3 Records held in accordance with latest Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

21. RISK MANAGEMENT AND INSURANCE

21.1 Programme of Risk Management

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

21.1.2 The programme of risk management shall include:

- (i) a process for identifying and quantifying risks and potential liabilities;
- (ii) engendering among all levels of staff a positive attitude towards the control of risk;
- (iii) 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;
- (iv) contingency plans to offset the impact of adverse events;
- (v) audit arrangements including internal audit, clinical audit, health and safety review;
- (vi) a clear indication of which risks shall be insured;
- (viii) arrangements to review the risk management programme.

21.1.3 The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of Internal Control (SIC) within the Annual Report and Accounts as required by current Department of Health guidance.

21.2 Insurance: Risk Pooling Schemes Administered by the NHR

21.2.1 The Board shall decide if the Trust will insure through the risk pooling schemes administered by NHS Resolution 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.

21.3 Insurance Arrangements with Commercial Insurers

21.3.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. There are however three exceptions when Trusts may enter into insurance arrangements with commercial insurers. The exceptions are:-

- (i) for insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;
- (ii) where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into;
- (iii) where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from NHS Resolution. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Director of Finance and Strategy or the Associate Director of Finance should consult the Department of Health.

21.4 Arrangements to be followed by the Board in Agreeing Insurance Cover

21.4.1 Where the Board decides to use the risk pooling schemes administered by NHS Resolution the Director of Finance and Strategy or Associate Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance and Strategy or Associate Director of Finance shall ensure that documented procedures cover these arrangements.

21.4.2 Where the Board decides not to use the risk pooling schemes administered by NHS Resolution for one or other of the risks covered by the schemes, the Director of Finance and Strategy or Associate 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 and Strategy or Associate 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.

21.4.3 All the risk-pooling schemes require scheme members to make some contribution to the settlement of claims (the "deductible"). The Director of Finance and Strategy or Associate Director of Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.