

COR/POL/002/2022-001

TRUST CORPORATE POLICY
STANDING ORDERS
SCHEME OF RESERVATION AND DELEGATION OF POWERS
AND STANDING FINANCIAL INSTRUCTIONS

APPROVAL	Barts Health NHS Trust Board	Date approved:	19/01/2022
EFFECTIVE FROM	Date of approval		
DISTRIBUTION	All Wards and Departments		
RELATED DOCUMENTS	Standards of Business Conduct (COR/POL/003/2017-001) Disciplinary Policy, Procedure and Rules (COR/POL/009/2016-001) Employee Complaints and Grievance Policy (COR/POL/013/2016-001) Freedom of Information Act Policy (COR/POL/023/2015-001) Raising Concerns, Whistleblowing (COR/POL/005/2018-001) Risk Management Policy (COR/POL/004/2018-001) Anti-Fraud, Bribery and Corruption Policy (COR/POL/064/2021-001)		
OWNER	Group Chief Finance Officer Trust Secretary		
AUTHOR/FURTHER INFORMATION	Group Chief Finance Officer Trust Secretary		
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CONSULTATION	<i>Barts Health Working Groups</i>	Audit and Risk Committee Trust Board
	<i>External Partner(s)</i>	-

APPLICATION	Included in policy: <i>For the groups listed below, compliance with this policy is a contractual requirement and failure to follow the policy may result in investigation and management action which may include formal action in line with the Trust's disciplinary or capability procedures for Trust employees, and other action in relation to organisations contracted to the Trust, which may result in the termination of a contract, assignment, placement, secondment or honorary arrangement.</i>	
	All Trust staff, working in whatever capacity	
	Other staff, students and contractors working within the Trust	
	Exempted from policy: No staff groups are exempt from this policy.	

FOREWORD AND APPLICATION

The Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions, which all NHS trusts are required to produce, have been compiled in accordance with the requirements and provisions of the NHS and Community Care Act 1990 and are based on the model document issued by the Department of Health and Social Care in March 2006.

The Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions together provide a regulatory framework for the business conduct of the Trust. They represent the governing instruments of the Trust, upon which all Trust policies, guidelines and procedures are founded and shall be reviewed every two years by the Trust.

The policy applies to all those working in the Trust, in whatever capacity. A failure to follow the requirements of the policy may result in investigation and management action being taken as considered appropriate. This may include formal action in line with the Trust's disciplinary or capability procedures for Trust employees; and other action in relation to other workers, which may result in the termination of an assignment, placement, secondment or honorary arrangement.

Together with the Disciplinary Policy, Maintaining High Professional Standards policy and the Grievance Policy and Procedure, the Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions make up the Trust's Articles of Corporate Governance.

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SECTION A

1 INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

- 1.1 Save as otherwise permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Group Chief Executive or Secretary to the Board).
- 1.2 Any expression to which a meaning is given in the National Health Service Act 1977, 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 Standing Financial Instructions and in addition:
- 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 Group Chief Executive.
- 1.2.2 "**Appointing Authority**" means the Secretary of State for Health & Social Care, NHS England and NHS Improvement or the relevant body or committee appointing the director.
- 1.2.3 "**Trust**" means Barts Health NHS Trust.
- 1.2.4 "**Board**" means the Chair, Executive and Non-Executive directors of the Trust collectively as a body.
- 1.2.5 "**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.
- 1.2.6 "**Budget holder**" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- 1.2.7 "**Chair of the Board (or Trust)**" is the person appointed by the Secretary of State for Health & Social Care 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.
- 1.2.8 "**Chief Executive**" means the Group Chief Executive of the Trust.
- 1.2.9 "**Quality Assurance Committee**" means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of healthcare for which Barts Health NHS Trust has responsibility.
- 1.2.10 "**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.
- 1.2.11 "**Committee**" means a committee or sub-committee created and appointed by the Trust.
- 1.2.12 "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.13 "**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.
- 1.2.14 "**Chief Financial Officer**" means the Group Chief Financial Officer of the Trust.

- 1.2.15 “**Executive director**” means a member of the Trust Board who is an officer of the Trust.
- 1.2.16 “**Charitable funds**” shall mean those funds which are associated to the Trust and administered by Barts Charity and any charitable funds held and administered by the Trust.
- 1.2.17 “**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.
- 1.2.18 “**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.
- 1.2.19 “**Membership, Procedure and Administration Arrangements Regulations**” means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.
- 1.2.20 “**Nominated officer**” means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.21 “**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.
- 1.2.22 “**Officer**” means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.23 “**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).
- 1.2.24 “**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 and Social Care guidance. The Trust Secretary performs this function on behalf of Barts Health NHS Trust.
- 1.2.25 “**SFIs**” means Standing Financial Instructions.
- 1.2.26 “**SOs**” means Standing Orders.
- 1.2.27 “**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.

Any references in this document to one gender alone are made for ease of reference only and should be read as equally applicable to persons of any or no identified gender.

SECTION B: STANDING ORDERS

1 INTRODUCTION

1.1. Statutory Framework

Barts Health National Health Service Trust is a statutory body which came into existence on 1 April 2012 under The Barts Health National Health Service Trust (Establishment) and the Barts and The London National Health Service Trust, the Newham University Hospital National Health Service Trust and the Whipps Cross University Hospital National Health Service Trust (Dissolution) Order 2012 (SI 2012 No. 796).

- (1) The principal place of business of the Trust is the Trust Offices, Pathology and Pharmacy, The Royal London Hospital, 80 Newark St, London E1 2ES.
- (2) NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 1977 (NHS Act 1977), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995, the Health Act 1999, the Health and Social Care Act 2001, Health and Social Care (Community Health and Standards) Act 2003, the Health Act 2006 and the Health and Social Care Act 2012 and associated regulations.
- (3) The functions of the Trust are conferred by this legislation.
- (4) 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 & Social Care.
- (5) The Trust also has statutory powers under Section 28A of the NHS Act 1977, as amended by the Health Act 1999, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- (6) The Code of Accountability for NHS Boards (see Appendix B) 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.
- (7) 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) In addition to the statutory requirements, the Secretary of State through the Department of Health and Social Care issues further directions and guidance.
- (2) The Code of Accountability (see Appendix B) 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.
- (3) The Freedom of Information Act 2000 sets out the requirements for public access to information on public bodies including the NHS.

1.3. Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order (SO) relating to the Arrangements for the Exercise of Trust Functions by Delegation (SO 5), 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 SO 4 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".

Reservation of Powers to the Board and Delegation of Powers are covered in Section C. These documents have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

1.4. Integrated Governance

Trust Boards are now encouraged to move away from silo governance and develop integrated governance that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information, education and research governance.

Guidance from the Department of Health and Social Care on the move toward and implementation of integrated governance has been issued and has been incorporated in the Trust's governance framework and committee structure. Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

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

2.1 Composition of the Membership of the Trust Board

In accordance with the Trust's Establishment Order (see SO1.1) and the Membership, Procedure and Administration Arrangements regulations, the composition of the Board shall be:

- (1) The Chair of the Trust (Appointed by NHS England and NHS Improvement);
- (2) 7 Non-Executive directors (excluding the Chair, and appointed by NHS England and NHS Improvement). This will include one Non-Executive director appointed from Queen Mary Westfield University of London (QMUL);
- (3) 5 Executive directors including:
 - The Group Chief Executive;
 - The Group Chief Financial Officer;
 - A Medical or Dental Practitioner; and
 - A Registered Nurse or Midwife, as defined in Section 10(7) of the Nurses, Midwives and Health Visitors Act 1979(a).

2.2 Appointment of Chair and Members of the Trust

- (1) Appointment of the Chair and Members of the Trust - Paragraph 4 of Schedule 5A to the 1977 Act, as inserted by the Health Act 1999, provides that the Chair is appointed by the Secretary of State upon the advice of NHS Improvement, but otherwise the appointment and tenure of office of the Chair and members are set out in the Membership, Procedure and Administration Arrangements Regulations, and subsequent amendments.

2.3 Terms of Office of the Chair and Members

- (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 and Administration Regulations.
- (2) The tenure of office for directors shall be:
 - (a) Chair and Non-Executive directors – as determined by NHS England and NHS Improvement, but usually for a maximum period of four years, which may be renewable, subject to the provisions of SO 2.8.
 - (b) Group Chief Executive and Group Chief Financial Officer – for the period of their employment in those posts.
 - (c) Other Executive directors – for such period as specified by the Appointing Authority or as long as they hold a post in the Trust.
- (3) The Chair or a Non-Executive director may resign his/her office at any time during the period for which they were appointed by giving notice in writing to the Appointing Authority.
- (4) Where a Non-Executive director is appointed to be the Chair of the Trust, his/her tenure of office as a Non-Executive director shall terminate when his/her appointment as Chair takes effect.

2.4 Appointment and Powers of Vice Chair

- (1) Subject to SO 2.4(2) below, for the purpose of enabling the proceedings of the Trust to be conducted in the absence of the Chair, the Chair and members of the Trust shall appoint a Non-Executive director from among them 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) 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 Non-Executive director as Vice Chair in accordance with the provisions of Standing Order 2.4(1).
- (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.
- (4) The Chair and members of the Trust shall appoint one of the independent Non-executive Directors to be the Senior Independent Director (see SO 2.7(6)). The Senior Independent Director could be the Vice Chair.

2.5 Joint Members

- (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 SO 2.1 as one person.
- (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; and
 - (d) The presence of either or both of those persons should count as the presence of one person for the purposes of SO 3.11 (Quorum).

2.6 Healthwatch

The Health and Social Care Act 2012 required local authorities to establish Healthwatches as social enterprises, replacing previous Local Involvement Networks (LINks), from April 2013. Healthwatches are made up of users of local health and social services and members of the public who work together to influence and challenge how local health and social care services are provided. Healthwatches are independent of the local authority and health services.

2.7 Role of Members

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 Trust Board will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions. All Board members shall subscribe to the Nolan Committee's Seven Principles of Public Life (see Appendix A) and the Codes of Conduct and Accountability for NHS Boards (see Appendix B).

(1) Executive directors

Executive directors shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation. Executive directors are normally employees of the Trust. However, a person holding a post in a university or a person seconded to work for the Trust may be appointed as an Executive director. Executive directors (apart from the Group Chief Executive and the Group Chief Financial Officer) may be removed from the Trust Board if, in the view of the appointing committee, it is not in the interest of the Trust for them to continue as a Director. If any Executive director is suspended from his post with the Trust, he will also be suspended from being a director for the period of his suspension.

(2) Group Chief Executive

The Group 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.

(3) Group Chief Financial Officer

The Group Chief Financial Officer 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 Group Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

(4) 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.

(5) 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 and must comply with the terms of appointment and with these Standing Orders. The Chair shall liaise with the NHS Improvement over the appointment of the 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 Group 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.

(6) Senior Independent Director

The Senior Independent Director shall be available to hear any issues or concerns that individuals feel unable to raise with the Chair or any Executive Director.

2.8 Disqualification from Appointment as Chair or Non-Executive director

(1) The following people are disqualified from appointment as the Chair or Non-Executive directors:

- **Employees** of the NHS Trust with the vacancy
- **Serving MPs**, including MEPs and candidates for election as MP or MEP.
- **Other circumstances:**
 - People who have received a prison sentence or suspended sentence of 3 months or more in the last 5 years;
 - People who are the subject of a bankruptcy restriction order or interim order;
 - Anyone who has been dismissed (except by redundancy) by any NHS body;
 - In certain circumstances, those who have had an earlier term of appointment terminated;
 - Anyone who is under a disqualification order under the Company Directors Disqualification Act 1986;
 - Anyone who has been removed from trusteeship of a charity.
- In most circumstances, Civil Servants within the Department of Health and Social Care, or members/employees of the Care Quality Commission
- If you are a chair or member of the governing body of a clinical commissioning group (or its successor organisation(s)) – or an employee of such group

The above disqualification criteria, also applies to those appointed to Chair posts with the addition of:

- People who perform or provide primary dental services, primary medical services or primary ophthalmic services under the National Health Service Act 2006;
- People who are partners or are in a partnership, or are legal and beneficial owners of shares in a company that, or a director of a body corporate that provides primary dental services, primary medical services or primary ophthalmic services;
- Employees of any of the above

- (2) If a Healthwatch member is appointed as a Non-Executive director of the Trust, he/she becomes disqualified from membership of the Healthwatch.
- (3) Where the Non-Executive director drawn from Queen Mary Westfield University of London ceases to hold a post in the University, NHS Improvement shall terminate his/her appointment.
- (4) The House of Commons Disqualification Act 1975, as amended by the National Health Service and Community Care Act 1990, prevents the Trust Chair or any Non-Executive director from contesting an election to Parliament or from being a Member of Parliament. If a Non-Executive director is selected as a prospective parliamentary candidate, they must tender their resignation as a Non-Executive director with immediate effect.
- (5) Where the Chair or Non-Executive director has been appointed:
- (a) If he becomes disqualified under SO 2.8(1), the Appointing Authority shall notify him in writing forthwith, or
 - (b) If he was so disqualified at the time of his appointment he shall be notified in writing that he was not duly appointed.
- (6) The Secretary of State will terminate the term of office of the Chair or a Non-Executive director who has not attended a meeting of the Trust for six months without reasonable cause. The appointing authority may, with the consent of NHS Improvement when necessary, terminate the appointment of the Chair or a Non-Executive director if it considers that the individual's continuation in office would not be in the interests of the NHS.

- (7) If it appears to NHS Improvement that the Chair or a Non-Executive director has failed to comply with SO 7.1 (declaration of interests), they may terminate immediately his/her tenure of office.

2.9 Cessation of Disqualification

- (1) Where a person is disqualified by reason of having been adjudged bankrupt this disqualification shall cease if:
- (a) The bankruptcy is annulled on the ground that he ought not to have been adjudged bankrupt or on the ground that his debts have been paid in full, the disqualification shall cease on the date of the annulment; or
 - (b) He is discharged when the disqualification shall cease on the date of his discharge.
- (2) Where a person is disqualified by reason of having made a composition or arrangement with his creditors, if he pays his debts in full the disqualification shall cease on the date on which the payment is completed. In any other case it shall cease in the expiry of five years from the date on which the terms of the deed of composition or arrangement are fulfilled.
- (3) Subject to SO 2.9(4), where person is disqualified as an employee he may, after the expiry period of not less than two years, apply in writing to the Secretary of State to remove the disqualification and the Secretary of State may direct that disqualification shall cease.
- (4) Where the Secretary of State refuses an application to remove a disqualification no further application may be made by that person until expiration of two years from the date of the application.
- (5) Where a person is disqualified as a Chair or director by reason of appointments: where such appointments have been terminated, the disqualification shall cease on the expiry of a period of two years or such longer period as the Appointing Authority specifies when terminating his period of office but the Secretary of State may on application being made to him by that person or by that appointing authority, reduce the period of disqualification.

2.10 Corporate Role of the Board

- (1) All business shall be conducted in the name of the Trust.
- (2) The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in SO 3.
- (3) The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

2.11 Schedule of Matters reserved to the Board and Scheme of Delegation

- (1) The Board has resolved that certain powers and decisions may only be exercised or made by the Board in formal session. These powers and decisions are set out in the 'Schedule of Matters Reserved to the Board' and shall 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. Both are set out in Section C.

2.12 Lead Roles for Board Members

- (1) The Chair will ensure that the designation of lead roles or appointments of Board members as required by the Department of Health and Social Care 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).

3. MEETINGS OF THE TRUST

3.1 Calling Meetings

- (1) Ordinary meetings of the Trust Board shall be held at regular intervals at such times and places as the Board may determine.
- (2) The Chair of the Trust may call a meeting of the Board at any time.
- (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

- (1) Before each meeting of the Trust 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. The validity of a meeting shall not be affected, however, by lack of service of notice on any person.
- (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) No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under SO 3.6.
- (4) A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chair or the Trust Secretary 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.
- (5) Trust Board papers must be written in the required Trust Board format and be submitted to the Trust Office at least 10 clear days before the date of the Trust Board meeting to facilitate timely distribution of the papers. The Trust Secretary has the delegated authority of the Trust Board to remove an item from the agenda if not received in time or to a suitable standard.
- (6) Details of Board meetings shall be displayed at the Trust's principal offices and on the Trust website at least three clear days before the meeting or, if the meeting is convened at shorter notice, then at the time it is convened, as required by the Public Bodies (Admission to Meetings) Act 1960.

3.3 Agenda and Supporting Papers

- (1) The Agenda will be sent to members at least 5 days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency. Copies of the agenda and papers for meetings to be held in public will be placed on the Trust's website in advance of the meetings.

3.4 Petitions

- (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 of the Trust Board.

3.5 Notice of Motion

- (1) Subject to the provision of SO 3.7 and SO 3.8, a member of the Trust Board wishing to move a motion shall send a written notice to the Group Chief Executive who will ensure that it is brought to the immediate attention of the Chair.

- (2) The notice shall be delivered at least 10 clear days before the meeting. The Group 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

Subject to the agreement of the Chair, and subject also to the provision of SO 3.7, 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

(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.

(2) Contents of motions

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

- (a) The reception of a report.
- (b) Consideration of any item of business before the Trust Board.
- (c) The accuracy of minutes.
- (d) That the Board proceed to next business.
- (e) That the Board adjourn.
- (f) That the question be now put.

(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.

(4) Rights of reply to motions

(a) Amendments

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.

(b) Substantive/original motion

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

(5) Withdrawing a motion

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

(6) Motions once under debate

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

- (a) An amendment to the motion.
- (b) The adjournment of the discussion, or the meeting.
- (c) That the meeting proceed to the next business.
- (d) That the question should be now put.
- (e) The appointment of an 'ad hoc' committee to deal with a specific item of business.

- (f) That a member/director be not further heard.
- (g) A motion under Section 1 (2) or Section 1 (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see SO 3.18).

- (7) 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.
- (8) 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 Motion to Rescind a Resolution

- (1) Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the member who gives it and also the signature of three 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 Group Chief Executive for recommendation.
- (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 six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Group Chief Executive.

3.9 Chair of Meeting

- (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.
- (2) If the Chair and Vice Chair are both absent, the remaining Board members shall choose a Non-Executive director from among their number to act as Chair. An Executive director cannot take the chair.
- (3) If the Chair is absent from a meeting temporarily on the grounds of a declared conflict of interest, the Vice Chair, if present, shall preside. If the Chair and Vice Chair are absent, or are disqualified from participating, the remaining Board members shall choose a Non-Executive director from among their number to act as Chair.

3.10 Chair's Ruling

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

3.11 Quorum

- (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 two Executive directors and two Non-Executive directors) is present.
- (2) An officer in attendance for an Executive director (Officer Member) but without formal acting up status may not count towards the quorum.

- (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 SO 7.3) 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.
- (4) The above requirement for at least two Executive directors to form part of the quorum shall not apply where the Executive directors are excluded from a meeting.
- (5) If after 15 minutes from the time appointed for a meeting of the Trust Board to take place no quorum is present, then there shall be no meeting. Likewise, if during a meeting the Chair, after counting the number of directors present, declares that there is no quorum, the meeting shall stand adjourned to a time arranged by the Chair or to the next ordinary meeting of the Trust Board.

3.12 Voting

- (1) Save as provided for in SO 3.13 and SO 3.14, every question put to a vote at a meeting shall be determined by a majority of the votes of the Chair and 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 or casting vote.
- (2) At the discretion of the Chair of the meeting, 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) 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).
- (4) If a member so requests, his/her vote shall be recorded by name (except when conducted by paper ballot).
- (5) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (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.
- (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.
- (8) For the voting rules relating to joint members see SO 2.5.

3.13 Suspension of Standing Orders

- (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 (SO 3.11), 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 Executive director and one Non-Executive director of the Trust) 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.
- (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) No formal business may be transacted while Standing Orders are suspended.

- (4) The Audit and Risk Committee shall review every decision to suspend Standing Orders.

3.14 Waiver, variation and amendment of Standing Orders

- (1) These Standing Orders shall not be waived or varied except in the following circumstances:
 - (a) Upon a notice of motion under SO 3.5.
 - (b) Upon a recommendation of the Chair or Chief Executive included on the agenda for the meeting.
 - (c) 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.
 - (d) Providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

3.15 Reporting of Waivers of Standing Orders and Standing Financial Instructions

- (1) All waivers of Standing Orders should be reported to the Audit and Risk Committee after approval has been granted. The Audit and Risk Committee should ensure that waivers have only been granted in compliance with the regulations and where necessary. However, these provisions do not apply where the competitive tendering process is to be omitted or modified. Approval should then be sought as detailed in the relevant section of the Standing Financial Instructions. All such waivers will be reported retrospectively to the Trust's Audit and Risk Committee.

3.16 Record of Attendance

- (1) The names of the Chair and directors/members present at the meeting shall be recorded in the minutes.

3.17 Secretariat and Minutes

- (1) The Trust Secretary or a nominated officer from the Trust Office shall attend the meetings of the Trust Board and its Committees. He/she will be permitted to participate in discussions but will not be entitled to vote. The Trust Secretary will be responsible for maintaining the records of such meetings. The minutes of the proceedings shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.
- (2) No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

3.18 Attendance at Meetings and Admission of Public and the Press

- (1) The Chair and members of the Trust will decide what arrangements it feels are appropriate to offer in extending an invitation to other Trust directors, deputies and 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.
- (2) **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 from Trust Board meetings as follows:

 - (a) "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.
 - (b) On matters to be included in the exclusion, due regard should be given to the Freedom of Information Act 2000.

(3) **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:

- (a) "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 (Admissions to Meetings) Act 1960.

(4) **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 SO 3.18(4) and SO 3.18(5) 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 Trust Board meeting which may take place on such reports or papers.

(5) **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 Committees thereof. Such permission shall be granted only upon resolution of the Trust.

- (6) Arrangements for the public to attend the Board's meetings shall not be construed as allowing them any right to speak at the meeting. However, at the discretion of the Chair and with the agreement of directors, individuals may be invited to contribute views on specific matters.

3.19 Annual General Meeting

- (1) Following publication of the annual report, the Board will hold a Public meeting in accordance with the NHS Trusts (Public Meetings) Regulations 1991 (SI(1991)482) and any subsequent amendments.

4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

- (1) Subject to such directions as may be given by the Secretary of State for Health & Social Care, the Trust Board may appoint committees of the Trust Board.
- (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

- (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 bodies in question.
- (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 committees 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

- (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 committee as the context permits, and the term “member” is to be read as a reference to a member of other committee 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

- (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

- (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

- (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. The appointment of directors to committees and sub-committees of the Trust comes to an end on the termination of their terms of office as directors.

4.7 Appointments for Statutory Functions

- (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. Executive directors may not be appointed to any committee or sub committee set up to carry out the functions of "managers" under the Mental Health Act 1983. Most important of these is the hearing of appeals by detained patients under section 25 (3) (c) Schedule 9 of the 1990 Act.

4.8 Committees established by the Trust Board

(1) The principal committees, sub-committees and joint-committees established by the Board are listed below. Their Terms of Reference are available from the Trust Office and on the Trust website.

(2) Audit and Risk Committee

In line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, and the Higgs report, an Audit and Risk 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.

The Higgs report recommends a minimum of three Non-Executive directors be appointed, unless the Board decides otherwise, of which one must have significant, recent and relevant financial experience.

The Trust's Audit and Risk Committee will have overall responsibility for independently monitoring, reviewing and reporting to the Trust Board on all aspects of governance, risk management and internal control. It will be supported in this role by the Quality Assurance Committee.

(3) Quality Assurance Committee

The purpose of the Quality Assurance Committee will be to monitor, review and report on the quality of services provided by the Trust. This will include review of governance, risk management and internal control systems to ensure the delivery of safe, high quality, patient-centred care; quality indicators flagged as of concern through escalation reporting or as requested by the Trust Board; and progress in implementing action plans to address shortcomings in the quality of services, should they be identified.. Membership will comprise of three Non-Executive Directors and the Chair of the Trust. The Terms of Reference will be approved by the Trust Board and reviewed on a periodic basis.

(4) Nominations and Remuneration Committee

In line with the requirements of the NHS Codes of Conduct and Accountability, and the Higgs report, a Remuneration Committee and a Nominations Committee will be established and constituted. The Higgs report recommends the committees be comprised exclusively of Non-Executive directors, a minimum of three, who are independent of management. The Terms of Reference will be approved by the Trust Board and reviewed on a periodic basis.

The Nominations and Remuneration Committee shall have delegated authority from the Trust Board to appoint and remove the Group Chief Executive and, together with the Group Chief Executive, to appoint and remove the other Executive Directors; to determine the broad remuneration policy and performance management framework; and to decide the remuneration, allowances and other terms and conditions of office for the Trust's senior managers.

(5) Finance and Investment Committee

The purpose of the Finance and Investment Committee will be to undertake on behalf of the Trust Board objective scrutiny of the Trust's financial plans, investment policy and major investment decisions. The Committee will review the Trust's monthly financial performance and identify the key issues and risks requiring discussion or decision by the Trust Board. Additionally, the Trust Board may request that the Committee reviews specific aspects of financial performance where the Board requires additional scrutiny and assurance.

Membership will include the Non Executive Director lead for finance, two additional Non Executive Directors, the Group Chief Executive, the Group Chief Financial Officer and the Group Deputy Chief Executive.

(7) **Other Committees**

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

4.9 Confidential Proceedings

- (1) A director or officer of the Trust shall not disclose a matter considered by the Trust Board or a Committee in confidence without its permission until the Board or Committee has considered the matter in public or has resolved to make the matter public.

5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

5.1 Delegation of Functions to Committees, Officers or Other Bodies

- (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 SO 4, or by an officer of the Trust, or by another body as defined in SO 5.1(2) below, in each case subject to such restrictions and conditions as the Trust thinks fit.

- (2) Section 16B of the NHS Act 1977 allows for regulations to provide for the functions of NHS trusts to be carried out by third parties. In accordance with The Trusts (Membership, Procedure and Administration Arrangements) Regulations 2000 the functions of the Trust may also be carried out in the following ways:

(a) By another Trust.

(b) Jointly with any one or more of the following: NHS trusts, NHS England and NHS Improvement or Clinical Commissioning Groups (CCGs) (or their successor organisation(s)).

(c) By arrangement with the appropriate Trust or CCG (or its successor organisation(s)), by a joint committee or joint sub-committee of the Trust and one or more other health service bodies.

(d) In relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with NHS England and NHS Improvement, NHS Trusts or CCGs (or their successor organisation(s)).

- (3) Where a function is delegated by these Regulations to another Trust, then that Trust or health service body exercises the function in its own right; the receiving Trust has responsibility to ensure that the proper delegation of the function is in place. In other situations, i.e. delegation to committees, sub-committees or officers, the Trust delegating the function retains full responsibility.

5.2 Emergency Powers and Urgent Decisions

- (1) The powers which the Board has reserved to itself within these Standing Orders (see SO 2.11) may in emergency or for an urgent decision be exercised by the group Chief Executive and the Chair after having consulted at least two Non-Executive directors. The exercise of such powers by the Group Chief Executive and Chair shall be reported to the next formal meeting of the Trust Board for formal ratification. In respect of the award of contracts, the Chair may take Chair's Action between Trust Board meetings, subject to ratification of his/her decision at the next formal meeting of the Trust Board.

5.3 Delegation to Committees

- (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 in respect of its sub-committees.
- (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

- (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 Group Chief Executive. The Group 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.
- (2) The Group Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Group Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.
- (3) Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Group Chief Financial Officer or other Executive directors to provide information and advise the Board in accordance with statutory or Department of Health and Social Care requirements. Outside these statutory requirements the roles of the Group Chief Financial Officer shall be accountable to the Group Chief Executive for operational matters.

5.5 Schedule of Matters Reserved to the Trust and Scheme of Delegation of Powers

- (1) The arrangements made by the Board as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" of Powers – see Section C - shall have effect as if incorporated in these Standing Orders.

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

- (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 THE STANDING FINANCIAL INSTRUCTIONS

6.1 Policy Statements: General Principles

- (1) The Trust Board has delegated the approval of most new and revised Trust core policies and guidelines to the Trust's Policies Committee. The Trust Policies Committee will agree and approve policy statements and procedures which will apply to all or specific groups of staff employed by Barts Health NHS Trust and others working in the Trust and have authority to delegate approval powers for clinical and local policies to other formal committees. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Policies Committee minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

- (2) The Trust Board retains the responsibility for the review and approval of the following Trust core policies: the Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions; the Risk Management Policy; the Standards of Business Conduct Policy; and the Whistleblowing Policy.

6.2 Specific Policy Statements

- (1) Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:
- (a) The Standards of Business Conduct Policy for Barts Health NHS Trust staff.
 - (b) The Disciplinary Policy, Procedure and Rules, the Disciplinary Procedure for Medical and Dental Staff, and the Grievance Policy and Procedure for Barts Health NHS Trust.
 - (c) The Code of Conduct and the Code of Accountability for NHS Boards (2004) – see Appendix B.
- (2) The above Policy statements shall have effect as if incorporated in these Standing Orders.

6.3 Standing Financial Instructions

- (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

- (1) Notwithstanding the application of SO 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 & Social Care:
- (a) Caldicott Guardian 1997.
 - (b) Human Rights Act 1998.
 - (c) Freedom of Information Act 2000.

7. DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND STAFF UNDER THESE STANDING ORDERS

7.1 Declaration of Interests

(1) Requirements for Declaring Interests and Applicability to Board Members

- (a) The NHS Code of Accountability (see Appendix B) 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. In addition to Board members, the requirements for other staff to declare interests are set out in the Trust's Standards of Business Conduct Policy.

(2) Interests which are Relevant and Material

- (a) Interests which should be regarded as "relevant and material" 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 relevant company included in this fund that has a potential relationship with the Trust must be declared.
 - (viii) Any other interest in relation to an issue to be considered by the Trust Board.
- (b) 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 SO 7.7 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 Chair and the Trust Secretary as soon as practicable.
- (c) There is no requirement in the Code of Accountability for the interests of Board members' spouses or partners to be declared. However, SO 7.7 which is based on the Membership Procedure and Administration Regulations requires that the interests of members' spouses, if living together, in contracts should be declared. Therefore the interests of Board members' spouses and cohabiting partners should also be regarded as relevant.

7.2 Advice on Interests

- (1) If Board members or staff have any doubt about the relevance of an interest, this should be discussed with the Chair of the Trust or with the Trust Secretary.
- (2) Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

7.3 Recording of Interests in Trust Board Minutes

- (1) 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.

7.4 Publication of Declared Interests in Annual Report

- (1) 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.

7.5 Conflicts of Interest which Arise During the Course of a Meeting

- (1) 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 SO 7.7)

7.6 Register of Interests

- (1) The Group 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 SO 7.1(2) which have been declared by both Executive and Non-Executive directors of the Trust Board.

- (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 12 months will be incorporated.
- (3) The Register will be available to the public and the Group 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.

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

- (1) Definition of terms used in interpreting 'Pecuniary' interest
For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:
 - (a) "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).
 - (b) "Contract" shall include any proposed contract or other course of dealing.
 - (c) "Pecuniary interest"
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:
 - (i) 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
 - (ii) 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.
 - (d) Exception to Pecuniary interests
A person shall not be regarded as having a pecuniary interest in any contract, proposed contract or other matter if:
 - (i) Neither he nor any person connected with him has any beneficial interest in the securities of a company or other body of which he or such person appears as a member; or
 - (ii) any interest that he or any person connected with him may have in the contract or other matter is so remote or insignificant that it cannot reasonably be regarded as likely to influence him in relation to considering, discussing or voting on that contract or matter; or
 - (iii) those securities of any company in which he (or any person connected with him) has a beneficial interest do not exceed £5,000 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.

Provided, however, that where paragraph (iii) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 7.1(2)(b).

Exclusion in proceedings of the Trust Board

- (2) 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.
- (3) 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 SO 7.8 on the 'Waiver' which has been approved by the Secretary of State for Health.)

- (4) 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/she has a pecuniary interest is under consideration.
- (5) Any remuneration, compensation or allowance payable to the Chair or a member by virtue of paragraph 9 of Schedule 2 to the National Health Service and Community Care Act 1990 shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- (6) 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.

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

- (1) 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 (2) to (4) below.
- (2) Definition of 'Chair' for the purpose of interpreting this waiver
For the purposes of paragraph 7.8(3) (below), the "relevant Chair" is:
 - (a) At a meeting of the Trust, the Chair of that Trust.
 - (b) At a meeting of a Committee:
 - (i) In a case where the member in question is the Chair of that Committee, the Chair of the Trust.
 - (ii) In the case of any other member, the Chair of that Committee.
- (3) 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:
 - (a) A member of Barts Health NHS Trust, who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of:
 - (i) Services under the National Health Service Act 1977; or
 - (ii) Services in connection with a pilot scheme under the National Health Service Act 1997;

for the benefit of persons for whom the Trust is responsible.
 - (b) Where the 'pecuniary interest' of the member in the matter which is the subject of consideration at a meeting at which he is present:
 - (i) 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.

- (ii) 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,
 - 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.
- (4) Conditions which apply to the waiver and the removal of having a pecuniary interest
The removal is subject to the following conditions:
- (a) 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.
 - (b) The relevant Chair must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.8(2)(b) above, except where that member is the Chief Executive.
 - (c) **In the case of a meeting of the Trust:**
 - (i) The member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded.
 - (ii) May not vote on any question with respect to it.
 - (d) **In the case of a meeting of the Committee:**
 - (i) The member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded.
 - (ii) May vote on any question with respect to it. But
 - (iii) The resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

7.9 Failure to Declare an Interest

- (1) If a director of the Board fails to declare an interest, or is found to have used the position or knowledge for private advantage, disciplinary action may be taken by the Trust which could lead to dismissal.

7.10 Standards of Business Conduct

(1) Trust Policy and National Guidance

All Trust staff and members must comply with the Trust's Standards of Business Conduct Policy and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff' and the Code of Conduct for NHS Boards (see SO 6.2).

(2) Interest of Officers in Contracts

- (a) 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 SO 7.8) 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 the Trust Secretary as soon as practicable.
- (b) An Officer should also declare to the Chief Executive or the Trust Secretary 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.

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

(3) Canvassing of and Recommendations by Directors and Officers in Relation to Appointments

- (a) Canvassing of directors of the Trust or members of any committee or officers of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- (b) 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 director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.
- (c) Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

(4) Relatives of directors or officers

- (a) 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 director or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him/her liable to instant dismissal.
- (b) 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 Group Chief Executive to report to the Trust Board any such disclosure made.
- (c) On appointment (and prior to acceptance of an appointment in the case of Executive directors), directors should disclose to the Trust whether they are related to any other director or holder of any office under the Trust.
- (d) Where the relationship of an officer or another director to a director of the Trust is disclosed, the Standing Order headed 'Exclusion of Chair and members in proceedings on account of pecuniary interest' (SO 7.7) shall apply.

7.11 Acceptance of Gifts and Donations

- (1) Staff should not accept gifts in any form, whether from patients, patients' relatives or carers, or from potential or actual suppliers, other than as provided below. The Trust's Standards of Business Conduct Policy sets out the rules in relation to gifts and donations and should be read as if incorporated into Standing Orders.
- (2) It is in order in certain circumstances for staff to accept small gifts to a maximum value of £25 but their senior officer must be informed and a record made.
- (3) Any donated sums of money, cheques or gift vouchers given to a member of staff must be passed to the relevant charitable fund. A receipt should be issued and letter of thanks sent.
- (4) Where the donor specifies how the money is to be spent, his/her wishes must be followed.

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

See the National Health Service and Community Care Act 1990 Schedule 2 paragraph 28.

8.1 Custody of the Seal

- (1) The Common Seal of the Trust shall be kept by the Trust Secretary in a secure place.

8.2 Sealing of Documents

- (1) The Seal is a corporate signature. It may be interchangeable with the words “for and on behalf of the Trust” for documents of minor importance and/or value. The use of the Seal indicates that the document is important and/or valuable. No common law exists regarding any financial limits which require a Seal. However, a Seal must be used in the conveyancing of land.
- (2) If the Trust gives an undertaking, the sealing of a document imposes an obligation. A signature does not reduce the obligation, but a Seal reaffirms the obligation expressed within the document. In cases where the Trust is uncertain, a signature could be offered “for and on behalf of the Trust” and if this is refused, the Seal can be used.
- (3) The Trust or its officers may decide that a document shall be sealed, within the provisions of the NHS Acts.
- (4) The following documents must be sealed:
 - (a) All contracts for the purchase or lease of land and/or buildings.
 - (b) All documents relating to the transfer or sale of shares, bonds and other financial instruments.
- (5) The following documents may be sealed:
 - (a) Legal agreements and licences;
 - (b) When a Seal is requested by the other party or parties.
- (6) The Trust Board has delegated the responsibility for the use of the Trust’s Seal to the Chief Executive and the Trust Secretary. However, in the absence of either of these two officers, the Chair and/or another director (not from the originating department) duly authorised by the Chief Executive may attest the use of the Seal. Amendments to documents under Seal should be initialed by those attesting the use of the Seal. Every instance of the use of the Seal must be reported to the Trust Board for ratification and recorded in the minutes of the meeting.

8.3 Register of Sealings

- (1) The Trust Secretary shall keep a register in which he/she, or an officer from the Trust Office authorised by him/her, shall enter a summary record of the sealing of every document. Each record must be signed by those officers attesting the use of the Seal.

8.4 Signature of Documents

- (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 Group Chief Executive or an Executive director.
- (2) In land transactions, the signing of certain supporting documents will be delegated to Managers and set out 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 Joint Finance Arrangements

- (1) The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 28A of the NHS Act 1977. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under Section 28A of the NHS Act 1977, as amended by section 29 of the Health Act 1999.

9.2 Conflict

- (1) In the event of any conflict between the Standing Orders and any statutory provision, regulation or direction by the Secretary of State, the latter shall prevail.

9.3 Report on Trust Performance

- (1) The Trust Board will publish annually a report of the Trust's performance and activities. This will include a statement of the annual accounts in compliance with the requirements of the NHS Manual of Accounts.

APPENDIX A: THE NOLAN PRINCIPLES OF PUBLIC LIFE

In its first report in May 1995, the Nolan Committee on Standards in Public Life set out Seven Principles of Public Life which all those working in public service, including NHS staff, should act in accordance with. Barts Health NHS Trust fully endorses these principles and requires its staff to act in accordance with them at all times.

Further details can be found at:

The Seven Principles of Public Life are as follows:

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

APPENDIX B: CODES OF CONDUCT AND ACCOUNTABILITY FOR NHS BOARDS

CODE OF CONDUCT FOR NHS BOARDS

1. PUBLIC SERVICE VALUES

Public service values must be at the heart of the National Health Service. High standards of corporate and personal conduct based on a recognition that patients come first, have been a requirement throughout the NHS since its inception. Moreover, since the NHS is publicly funded, it must be accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money.

There are three crucial public service values which must underpin the work of the health service.

Accountability – everything done by those who work in the NHS must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.

Probity – there should be an absolute standard of honesty in dealing with the assets of the NHS: integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.

Openness – there should be sufficient transparency about NHS activities to promote confidence between the NHS organisation and its staff, patients and the public.

2. GENERAL PRINCIPLES

Public service values matter in the NHS and those who work in it have a duty to conduct NHS business with probity. They have a responsibility to respond to staff, patients and suppliers impartially, to achieve value for money from the public funds with which they are entrusted and to demonstrate high ethical standards of personal conduct.

The success of this Code depends on a vigorous and visible example from boards and the consequential influence on the behaviour of all those who work within the organisation. Boards have a clear responsibility for corporate standards of conduct and acceptance of the Code should inform and govern the decisions and conduct of all board directors.

3. OPENNESS AND PUBLIC RESPONSIBILITIES

Health needs and patterns of provision of health care do not stand still. There should be a willingness to be open with the public, patients and with staff as the need for change emerges. It is a requirement that major changes are consulted upon before decisions are reached. Information supporting those decisions should be made available, in a way that is understandable, and positive responses should be given to reasonable requests for information and in accordance with the Freedom of Information Act 2000.

NHS business should be conducted in a way that is socially responsible. As a large employer in the local community, NHS organisations should forge an open and positive relationship with the local community and should work with staff and partners to set out a vision for the organisation in line with the expectations of patients and the public. NHS organisations should demonstrate to the public that they are concerned with the wider health of the population including the impact of the organisation's activities on the environment.

The confidentiality of personal and individual patient information must, of course, be respected at all times.

4. PUBLIC SERVICE VALUES IN MANAGEMENT

It is unacceptable for the board of any NHS organisation, or any individual within the organisation for which the board is responsible, to ignore public service values in achieving results. Chairs and board directors have a duty to ensure that public funds are properly safeguarded and that at all times the board conducts its business as efficiently and effectively as possible. Proper stewardship of public monies requires value for

money to be high on the agenda of all NHS boards. Accounting, tendering and employment practices within the NHS must reflect the highest professional standards. Public statements and reports issued by the board should be clear, comprehensive and balanced, and should fully represent the facts. Annual and other key reports should be issued in good time to all individuals and groups in the community who have a legitimate interest in health issues to allow full consideration by those wishing to attend public meetings on local health issues.

5. PUBLIC BUSINESS AND PRIVATE GAIN

Chairs and board directors should act impartially and should not be influenced by social or business relationships. No one should use their public position to further their private interests. Where there is a potential for private interests to be material and relevant to NHS business, the relevant interests should be declared and recorded in the board minutes, and entered into a register which is available to the public. When a conflict of interest is established, the board director should withdraw and play no part in the relevant discussion or decision.

6. HOSPITALITY AND OTHER EXPENDITURE

Board directors should set an example to their organisation in the use of public funds and the need for good value in incurring public expenditure. The use of NHS monies for hospitality and entertainment, including hospitality at conferences or seminars, should be carefully considered. All expenditure on these items should be capable of justification as reasonable in the light of the general practice in the public sector. NHS boards should be aware that expenditure on hospitality or entertainment is the responsibility of management and is open to be challenged by the internal and external auditors and that ill-considered actions can damage respect for the NHS in the eyes of the community.

7. RELATIONS WITH SUPPLIERS

NHS boards should have an explicit procedure for the declaration of hospitality and sponsorship offered by, for example, suppliers. Their authorisation should be carefully considered and the decision should be recorded. NHS boards should be aware of the risks in incurring obligations to suppliers at any stage of a contracting relationship. Suppliers should be selected on the basis of quality, suitability, reliability and value for money. The Department of Health and Social Care has issued guidance to NHS organisations about standards of business conduct (ref: HSG(93)5); NHS England also published model conflicts of interest in 2017. This guidance is reflected in the Trust's Standards of Business Conduct (declarations of interest) policy.

8. STAFF

NHS boards should ensure that staff have a proper and widely publicised procedure for voicing complaints or concerns about maladministration, malpractice, breaches of this code and other concerns of an ethical nature. The board must establish a climate:

- that enables staff who have concerns to raise these reasonably and responsibly with the right parties;
- that gives a clear commitment that staff concerns will be taken seriously and investigated; and
- where there is an unequivocal guarantee that staff who raise concerns responsibly and reasonably will be protected against victimisation.

(Ref: Whistleblowing in the NHS, letter dated 25 July 2003 from the Director of HR in the NHS)*

9. COMPLIANCE

Board directors should satisfy themselves that the actions of the board and its directors in conducting board business fully reflect the values in this Code and, as far as is reasonably practicable, that concerns expressed by staff or others are fully investigated and acted upon. All board directors of NHS organisations are required, on appointment, to subscribe to the Code of Conduct.

Originally published April 1994

Revision July 2004

*This has since been updated by the "Freedom to Speak Up" requirements

CODE OF ACCOUNTABILITY FOR NHS BOARDS

This Code of Practice is the basis on which NHS organisations should seek to fulfil the duties and responsibilities conferred upon them by the Secretary of State for Health.

1. STATUS

NHS organisations, such as NHS trusts and special health authorities, are established under statute as corporate bodies so ensuring that they have separate legal personality. Statutes and regulations prescribe the structure, functions and responsibilities of the boards of these bodies and prescribe the way chairs and directors of boards are to be appointed.

2. CODE OF CONDUCT

All board directors of NHS organisations are required, on appointment, to subscribe to the Code of Conduct. Breaches of this Code of Conduct by the chair or a non-executive director of the board should be drawn to the attention of the NHS Improvement. NHS managers are required to take all reasonable steps to comply with the requirements set out in the Code of Conduct for NHS Managers. Chairs and non-executive directors of NHS boards are responsible for taking firm, prompt and fair disciplinary action against any executive director in breach of the Code of Conduct for NHS Managers.

3. STATUTORY ACCOUNTABILITY

The Secretary of State for Health & Social Care has statutory responsibility for the health of the population of England and uses statutory powers to delegate functions to NHS organisations who are thus accountable to the Secretary of State and to Parliament. The Department of Health and Social Care is responsible for directing the NHS, ensuring national policies are implemented and for the effective stewardship of NHS resources.

NHS trusts provide services to patients (these may be acute services, ambulance services, mental health or other special services, e.g. for children). Other main functions are to:

- Ensure services are of high quality and accessible; and
- Lead the development of new ways of working to fully engage patients and ensure a patient-centred service;

CCGs (*or their successor organisation(s)*) are expected to identify the health needs of the population, to work to improve the health of the community and to secure the provision of a full range of services. Other main functions are to:

- Maintain an effective public health function;
- Lead local planning;
- Manage and develop primary healthcare services;
- Develop and improve local services;
- Lead the integration of health and social care; and
- Deliver services within their remit.

NHS Improvement provides strategic leadership to ensure the maintenance of provision and the delivery of improvements in local health and health services by NHS trusts, within the national framework of developing a patient-centred NHS and supported by effective controls and clinical governance systems. Other main functions for which NHS Improvement is responsible are to:

- Lead the development and empowerment of uniformly excellent frontline NHS organisations committed to innovation and improvement;

- Consider the overall needs of the health economy across primary, community, secondary and tertiary care, and working with primary care trusts and NHS trusts to deliver a programme to meet these needs;
- Performance manage and ensure accountability of local primary care trusts and NHS trusts;
- Lead on the creation and development of clinical and public health networks;
- Create capacity through the preparation and delivery of strategies for capital investment, information management and workforce development;
- Ensure effective networks and joint working exists between NHS organisations for the provision of health and social care; and
- Ensure the development and training of an adequate workforce of competent clinical personnel.

NHS trust finances are subject to external audit.

NHS boards must co-operate fully with the Department of Health and Social Care, their external auditor and the Care Quality Commission when required to account for the use they have made of public funds, the delivery of patient care and other services, and compliance with statutes, directions, guidance and policies of the Secretary of State. The Chief Executive/Permanent Secretary of the Department of Health and Social Care, as Accounting Officer for the NHS, is accountable to Parliament. The work of the Department of Health and Social Care and its associated bodies is examined by the House of Commons Health Committee. Its remit is to examine the expenditure, administration and policy of the Department of Health & Social Care. Two other Parliamentary Committees, the Public Accounts Committee and the Public Administration Select Committee, scrutinise the work of the Department of Health and Social Care and the health service.

4. THE BOARD OF DIRECTORS

NHS boards comprise executive directors together with non-executive directors and a chair who are appointed by NHS Improvement on behalf of the Secretary of State. Together they share corporate responsibility for all decisions of the board. There is a clear division of responsibility between the chair and the chief executive; the chair's role and board functions are set out below; the chief executive is directly accountable to the board for meeting their objectives, and as Accountable Officer, to the Chief Executive of the NHS for the performance of the organisation.

Boards are required to meet regularly and to retain full and effective control over the organisation; the chair and non-executive directors are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of these responsibilities. The appointments team at NHS Improvement will always be available to chairs and non-executive directors on matters of concern to them relating to the personal effectiveness of individual chairs and non-executives.

The duty of an NHS board is to add value to the organisation, enabling it to deliver healthcare and health improvement within the law and without causing harm. It does this by providing a framework of good governance within which the organisation can thrive and grow. Good governance is not restrictive but an enabling ingredient to underpin change and modernisation. The role of an NHS board is to:

- Be collectively responsible for adding value to the organisation, for promoting the success of the organisation by directing and supervising the organisation's affairs.
- Provide active leadership of the organisation within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Set the organisation's strategic aims, ensure that the necessary financial and human resources are in place for the organisation to meet its objectives, and review management performance.
- Set the organisation's values and standards and ensure that its obligations to patients, the local community and the Secretary of State are understood and met.

Further details may be obtained from *Governing the NHS: A Guide for NHS Boards* at

<https://www.gov.uk/government/publications/quality-governance-in-the-nhs-a-guide-for-provider-boards>

The Role of the Chair

The overall role of the chair is one of enabling and leading so that the attributes and specific roles of the executive team and the non executives are brought together in a constructive partnership to take forward the business of the organisation. The key responsibilities of the chair are:

- Leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda;
- Ensuring the provision of accurate, timely and clear information to directors;
- Ensuring effective communication with staff, patients and the public;
- Arranging the regular evaluation of the performance of the board, its committees and individual directors; and
- Facilitating the effective contribution of non executive directors and ensuring constructive relations between executive and non-executive directors.

A complementary relationship between the chair and chief executive is important. A complementary relationship between the chair and chief executive is important. The chief executive is accountable to the chair and non-executive directors of the board for ensuring that the board is empowered to govern the organisation and that the objectives it sets are accomplished through effective and properly controlled executive action. The chief executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the board. Further details may be obtained from *Governing the NHS: A Guide for NHS Boards*.

Non-Executive directors

Non-executive directors are appointed by NHS Improvement on behalf of the Secretary of State to bring an independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health and Social Care to Ministers and to the local community. The duties of non-executive directors are to:

- Constructively challenge and contribute to the development of strategy;
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
- Determine appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary, removing senior management and in succession planning; and
- Ensure the board acts in the best interests of the public and is fully accountable to the public for the services provided by the organisation and the public funds it uses. Non-executive directors also have a key role in a small number of permanent board committees such as the Audit and Risk Committee, Nominations and Remuneration Committee Finance and Investment Committee and the Quality Assurance Committee.

Further details may be obtained from *Governing the NHS: A Guide for NHS Boards*.

5. REPORTING AND CONTROLS

It is the board's duty to present through the timely publication of an annual report, annual accounts and other means, a balanced and readily-understood assessment of the organisation's performance to:

- The Department of Health & Social Care, on behalf of the Secretary of State.
- Its appointed auditors, and
- The local community.

Detailed financial guidance, including the role of internal and external auditors, issued by the Department of Health & Social Care must be observed. (Ref: the Department of Health Group Accounting Manual at www.info.doh.gov.uk/doh/finman). The Standing Orders of boards should prescribe the terms on which committees and sub-committees of the board may be delegated functions, and should include the schedule of decisions reserved for the board.

6. DECLARATION OF INTERESTS

It is a requirement that chairs and all board directors should declare any conflict of interest that arises in the course of conducting NHS business. All NHS organisations maintain a register of member's interests to avoid any danger of board directors being influenced, or appearing to be influenced, by their private interests in the exercise of their public duties. All board members are therefore expected to declare any personal or business interest which may influence, or may be *perceived* to influence, their judgement. This should include, as a minimum, personal direct and indirect financial interests, and should normally also include such interests of close family members. Indirect financial interests arise from connections with bodies which have a direct financial interest, or from being a business partner of, or being employed by, a person with such an interest.

7. EMPLOYEE RELATIONS

NHS boards must comply with legislation and guidance from the Department of Health & Social Care on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money. Fair and open competition should be the basis for appointment to posts in the NHS.

The terms and conditions agreed by the board for senior staff should take full account of the need to obtain maximum value for money for the funds available for patient care. The board should ensure through the appointment of a remuneration and terms of service committee that executive board directors' remuneration can be justified as reasonable. Board directors' remuneration for the NHS organisation should be published in its annual report.

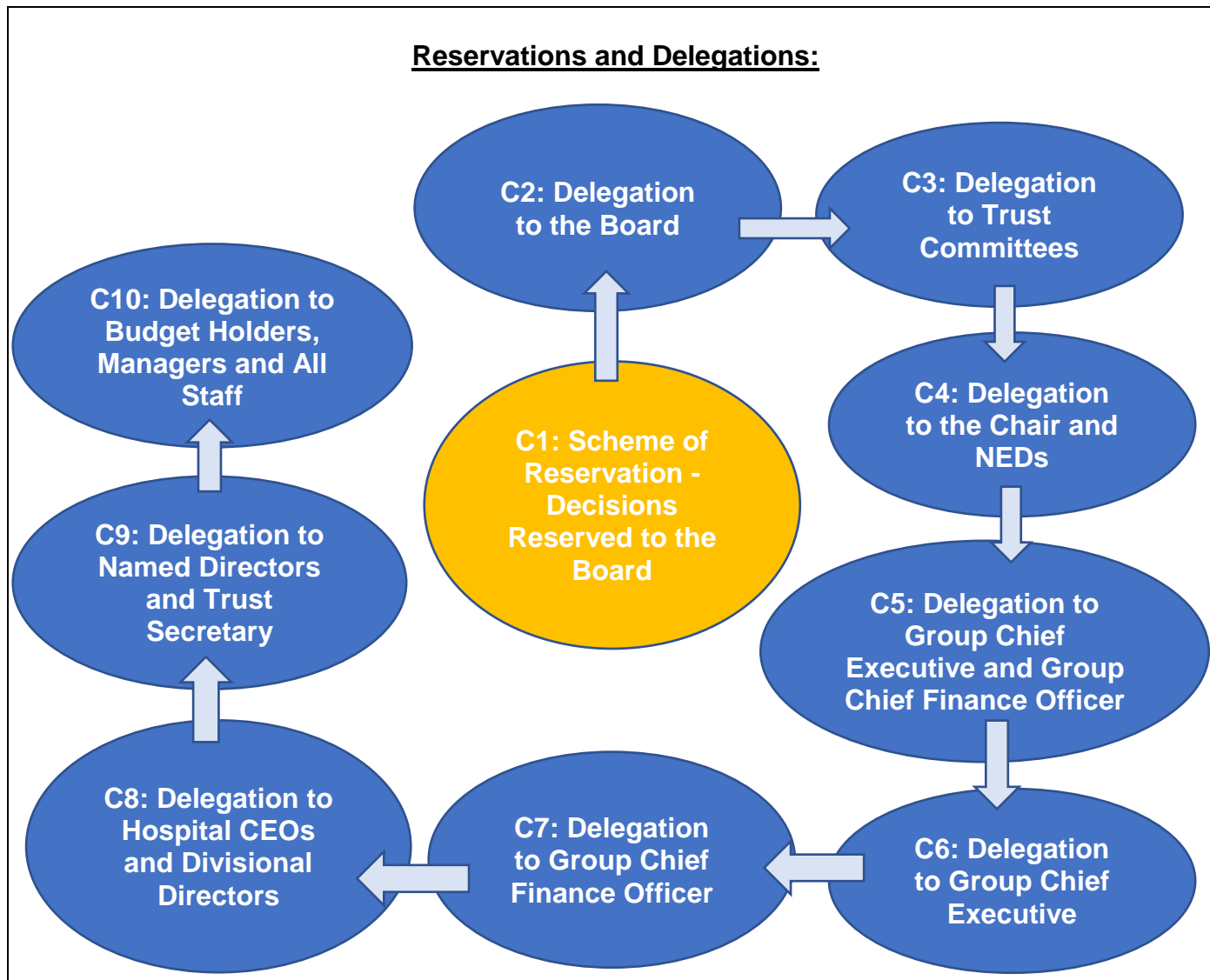
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SECTION C: SCHEMES OF RESERVATION AND DELEGATION

Users can navigate to the chosen section by clicking the link in each box:



General Information

Introduction

Standing Order 5.1(1) states “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, or by an officer of the Trust, or by another body as defined in Standing Order 5.1(2), in each case subject to such restrictions and conditions as the Trust thinks fit. The Code of Accountability for NHS Boards (see Section B, Appendix B) also requires that the Standing Orders include a schedule of decisions reserved for the Board.

This Scheme of Reservation and Delegation of Powers clarifies the powers reserved to the Trust Board (generally matters for which it is held accountable to the Secretary of State), while at the same time delegating to the appropriate level the detailed application of Trust policies, guidelines and procedures.

However, the Board remains accountable for all of its functions, even those delegated to the Chair, individual directors or officers, and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

Role of the Group Chief Executive

The Group Chief Executive shall exercise all powers of the Trust which have not been retained as reserved by the Board or delegated to an executive committee or sub-committee on behalf of the Board. The Group Chief Executive shall prepare a Scheme of Delegation identifying which functions he/she shall perform personally and which functions have been delegated to other directors and officers. The Scheme of Delegation will be reviewed at least annually and changed as necessary if any of the duties or responsibilities of the specified Trust office changes.

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

Caution over use of Delegated Powers

Powers are delegated to directors and officers on the understanding that they will not exercise them in a matter that in their judgement is likely to be a cause for public concern.

Directors’ ability to delegate their own Delegated Powers

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

Absence of directors or officers to whom powers have been delegated

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

C1: Reservation of powers to the Board

The Code of Accountability which has been adopted by the Trust requires the Board to determine those matters on which decisions are reserved unto it. These reserved matters are set out in the section below. The Trust Board shall not delegate under Standing Order 5.1(1) its functions in respect of the following:

C1: Scheme of Reservation - Decisions Reserved to the Board

General Enabling Provision

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

Regulations and Control

1. Amendments to and annual approval of Standing Orders (SOs), the Schemes of Reservation and Delegation (SoRD), and Standing Financial Instructions (SFIs). At least three-yearly review and approval of the Standards of Business Conduct Policy.
2. Suspension of Standing Orders.
3. Ratification of any urgent decisions taken by the Chair and Group Chief Executive in accordance with SO 5.2.
4. Require and receive directors' declarations of interests and, where there is conflict with Trust business, determine the extent to which that director may remain involved with the matter under consideration.
5. Require and receive declarations of officers' interests that may conflict with those of the Trust.
6. Adopt the organisation's structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.
7. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action thereon.
8. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.
9. Establish and regularly review the terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.
10. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Group Chief Executive's attention in accordance with SO 5.6.
11. Discipline members of the Board who are in breach of statutory requirements or Standing Orders.
12. Recognition or withdrawal of recognition of Specialist Advisory Committees.
13. Ratify use of the Trust Seal.
14. Approve arrangements relating to the discharge of the Trust's responsibilities regarding funds held on trust.

C1: Scheme of Reservation - Decisions Reserved to the Board

Appointments/Dismissal

1. Appoint and dismiss the Vice Chair of the Board.
2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.
3. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.

Strategy, Plans and Budgets

1. Define the mission statement and strategic aims and objectives of the Trust.
2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.
3. Approve the Trust's Risk Management Policy following annual review.
4. Approve annual revenue budgets and the Trust's capital programme.
5. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.
6. Approve PFI proposals.
7. Approve banking arrangements.
8. Approve the award of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to, £3,000,000 (excluding VAT) or over during the period of the contract.
9. Authorise the arrangement of operational or finance leases with a total lifecycle value (including residual value) of more than £1,000,000.
10. Approve waivers of competition or waivers of Standing Financial Instructions where it is proposed not to accept the lowest priced tender in respect of the award of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to the prevailing FTS limit (excluding VAT) or above during the period of the contract.
11. Approve virements between Sites and Directorates equal to or above £5,000,000.
12. Approve the discontinuation of any significant activity or operation.
13. Approve Trust responses to consultations on major changes in health policy and health care provision both nationally and locally.
14. Approve decisions to make formal representations to government or other authorities on matters of major policy.

C1: Scheme of Reservation - Decisions Reserved to the Board

Policy Determination

Review and approval of the following Trust core policies: the Standing Orders, Scheme of Reservation and Delegation of Powers, Standing Financial Instructions; the Standards of Business Conduct Policy; and the Whistleblowing Policy.

Audit

1. Approve the appointment (and where necessary dismissal) of External Auditors (informed by the recommendations of the Auditor Panel).
2. Receive the annual audit letter from the external auditor and agree proposed action, taking account of the advice, where appropriate, of the Audit and Risk Committee.
3. Receive the Annual Governance Statement and agree action on recommendations, where appropriate, of the Audit and Risk Committee.

Financial and performance monitoring and reporting

1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated.
2. Continuous appraisal of the affairs of the Trust by means of the receipt of reports from directors, committees and officers of the Trust. Monitoring returns required by the Department of Health and Social Care shall be reported, at least in summary form, to the Board.
3. Receive reports from the Group Chief Finance Officer on financial performance against budget/financial plans.
4. Receive reports from the Group Chief Finance Officer on actual and forecast income from SLAs.
5. Approval of the Trust's annual end-year Data Security & Protection Toolkit submission.

Annual Reports and Accounts

1. Receipt and approval of the Trust's Annual Report and Annual Accounts and Quality Account.

C2 – Duties / Decisions Delegated to the Board		
Derived from the Accountable Officer Memorandum (AOM); Codes of Conduct & Accountability (CCA); Standing Orders (SOs) or Standing Financial Instructions (SFIs)		
Source of Delegation	Delegated to	Duties Delegated
CCA	All Board members	Subscribe to the Code of Conduct.
CCA	Board	Approve procedure for declaration of hospitality and sponsorship (within Standards of Business Conduct Policy).
CCA	Board	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
CCA	Board	Board members share corporate responsibility for all decisions of the Board.
CCA	Board	<p>The Board has six key functions for which it is held accountable by the Department of Health and Social Care on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> 1. To ensure effective financial stewardship through value for money, financial control and financial planning and strategy. 2. To ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation. 3. To appoint, appraise and remunerate senior executives. 4. To ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer-term objectives and agree plans to achieve them. 5. To oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary. 6. To ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.
CCA	Board	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. Act within statutory financial and other constraints. 2. Be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these. 3. Ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior

C2 – Duties / Decisions Delegated to the Board		
Derived from the Accountable Officer Memorandum (AOM); Codes of Conduct & Accountability (CCA); Standing Orders (SOs) or Standing Financial Instructions (SFIs)		
Source of Delegation	Delegated to	Duties Delegated
		<p>executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account.</p> <p>4. Establish performance and quality measures that maintain the effective use of resources and provide value for money.</p> <p>5. Specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities.</p> <p>6. Establish Audit and Remuneration Committees based on formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.</p>
CCA	Board	NHS Boards must comply with legislation and guidance issued by the Department of Health and Social Care on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.
SO 2.4	Board	Appointment of Vice Chair.
SO 3.13	Board	Suspension of Standing Orders.
SO 3.14	Board	Waiver, variation or amendment of Standing Orders.
SO 4.1	Board	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference.
SO 5.2	Chair & Group CEO	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Group Chief Executive after having consulted at least two Non-Executive members.
SO 7.1	Board	Declare relevant and material interests.
SO 12.2.3	Board	Approve virements between Hospitals and Sites above £5,000,000.
SFI 16.5.5	Board	Waive formal tendering procedures for contracts above the prevailing FTS limit.
SI 16.10.1	Board	Authorisation of Tenders over £3,000,000.

C2 – Duties / Decisions Delegated to the Board

Derived from the Accountable Officer Memorandum (AOM); Codes of Conduct & Accountability (CCA); Standing Orders (SOs) or Standing Financial Instructions (SFIs)

Source of Delegation	Delegated to	Duties Delegated
SFI 16.23.1	Board	Authorise the arrangement of operational or finance leases with a total lifecycle value (including residual value) of more than £1,000,000.
SFI 18.1.1	Board	Establish a Nominations and Remuneration Committee.
SFI 20.1.2	Board	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the Group CEO and Group CFO).
SFI 23.2.13	Board	Approve write off of losses (within limits delegated by DHSC).
SFI 28.1.1	Board	Approve and monitor risk management programme.
SFI 28.2	Board	Decide whether the Trust will use the risk pooling schemes administered by NHS Resolution or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.

C3: Decisions and Duties Delegated by the Board to its Committees		
Source of Delegation	Committee	Decision / Duty
SO 3.13	Audit and Risk Committee	Review every decision to suspend Standing Orders.
SO 4.8.2	Audit and Risk Committee	<p>The Committee will:</p> <ol style="list-style-type: none"> 1 Oversee Internal (including Counter Fraud) and External Audit services; 2 Review financial and information systems and monitor the integrity of the financial statements and review significant financial reporting judgments; 3 Review the establishment and maintenance of an effective system of integrated governance, risk management (including risk management policy and risk management strategy) 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; 4 Monitor compliance with Standing Orders and Standing Financial Instructions; 5 Approve schedules of losses and compensations; 6 Act as the Trust's Auditor Panel to advise the Trust Board on the appointment and removal of external auditors; 7 Review the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly; 8 Periodically (as defined in its Terms of Reference) review the Waiver Register.
SFI 11.1.1	Audit and Risk Committee	Provide an independent and objective view on internal control and probity.
SFI 11.1.2	Chair of ARC	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
SFI 11.4	Audit and Risk Committee	Ensure cost-effective External Audit.
SO 4.8.3	Quality Assurance Committee	<p>The Committee will monitor, review and report on the quality of service provided by the Trust.</p> <p>The Committee will receive reports on complaints investigated by the Health Service Ombudsman.</p>
SO 4.8.4	Nominations	The Committee will have powers to appoint and remove the Group Chief Executive and, together with the Group

C3: Decisions and Duties Delegated by the Board to its Committees		
Source of Delegation	Committee	Decision / Duty
	and Remuneration Committee	Chief Executive, to appoint and remove other Executive Directors. The Committee shall have delegated authority from the Trust Board to determine the broad remuneration policy and performance management framework and to decide the remuneration, allowances and other terms and conditions of office for the Trust's senior managers.
SFI 18.1.2	Nominations and Remuneration Committee	Agree the remuneration and terms of service of the Group Chief Executive, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements. Monitor and evaluate the performance of individual senior employees.
SFI 18.3.5	Nominations and Remuneration Committee	Agree those Compromise Agreements, Settlements and Redundancy Payments which require final approval by NHS England and Improvement / HM Treasury as well as any proposed termination payment to the Group Chief Executive or an Executive Director. Approve redundancy payments, non-contractual payments and compromise agreements above £100,000 Receive reports on all other redundancy payments, non-contractual payments and compromise agreements.
SO 4.8.5	Finance and Investment Committee	The Committee will: <ol style="list-style-type: none"> 1 Undertake objective scrutiny of the Trust's financial plans, investment policy and major investment decisions. 2 Review the Trust's monthly financial performance and identify key issues and risks requiring discussion or decision by the Trust Board. 3 Approve Outline and Final Business Cases for capital investment, including leased assets, between £1 million and £15 million subject to Trust Board approval of the Trust's overall Capital Programme. 4 Approve business case proposals or service reconfigurations with a cost implication in excess of £5 million over five years. 5 Approve proposed asset disposals where value of asset exceeds £1 million.
SO 6.1	Trust Policies Committee	The approval of those new and revised Trust core policies and guidelines not reserved to the Trust Board (including powers to delegate authority for approval of clinical or local policies to other formal committees).

C4: Duties / Decisions Delegated to the Chair and Non-Executive Directors		
Source of Delegation	Delegated to	Duties Delegated
CCA	Chair	<p>It is the Chair's role to:</p> <ol style="list-style-type: none"> 1. Provide leadership to the Board; 2. Enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. Ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. Ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5. Lead Non-Executive Board members through a formally-appointed Nominations and Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Group Chief Executive and (with the latter) other Executive Board members; 6. Appoint Non-Executive Board members to an Audit Committee of the main Board; 7. Advise the Secretary of State on the performance of Non-Executive Board members.
CCA	Chair and Directors	Declaration of conflict of interests.
CCA	Chair and NED / Execs	Chair and non-officer members are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for Health for the discharge of those responsibilities.
CCA	Non-Executive Directors	Non-Executive Directors are appointed by NHS England and Improvement to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health and Social Care, to Ministers and to the local community.
AOM	Chair	Implement requirements of corporate governance.
SO 1.1	Chair	Final authority in interpretation of Standing Orders (SOs).
SO 3.1	Chair	Call meetings.
SO 3.9	Chair	Chair all Board meetings and associated responsibilities.
SO 3.10	Chair	Give final ruling in questions of order, relevancy and regularity of meetings.
SO 3.12	Chair	Having a second or casting vote.

C5: Duties / Decisions Delegated to the Group Chief Executive (Group CEO) and the Group Chief Finance Officer (Group CFO)		
Source of Delegation	Delegated to	Duties Delegated
AOM	Group CEO and Group CFO	Ensure the accounts of the Trust are prepared under principles and in a format directed by the Secretary of State for Health & Social Care. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
AOM	Group CEO and Group CFO	Group Chief Executive, supported by Group Chief Finance Officer, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
SFI 10.2.4	Group CEO and Group CFO	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
SFI 11.5	Group CEO and Group CFO	Monitor and ensure compliance with the NHS Standard Contract service condition 24 on fraud, bribery and corruption including the appointment of the Local Counter Fraud Specialist.
SFI 11.6	Group CEO and Group CFO	Monitor and ensure compliance with Directions issued by the Secretary of State for Health & Social Care on NHS security management including appointment of the Local Security Management Specialist.
SFI 16.6.4	Group CEO and Group CFO	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.
SFI 16.9.1	Group CEO or Group CFO	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 these Instructions.
SFI 19.2.10	Group CEO or Group CFO	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within current Department of Health and Social Care manuals. The technical audit of these contracts shall be the responsibility of the relevant Director.
SFI 20.1.5	Group CEO or Group CFO	Be on an authorising panel comprising one other member for short term borrowing approval.

C6: Duties / Decisions Delegated to the Group Chief Executive Officer (Group CEO)		
Source of Delegation	Delegated to	Duties Delegated
AOM	Group CEO	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources.
AOM	Group CEO	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign an annual governance statement in the accounts outlining responsibilities in respect of systems of internal control.
AOM	Group CEO	Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> • have a clear view of their objectives and the means to assess achievements in relation to those objectives; • be assigned well defined responsibilities for making best use of resources; • have the information, training and access to the expert advice they need to exercise their responsibilities effectively.
AOM	Group CEO	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the National Audit Office (NAO).
AOM	Group CEO	Primary duty to see that the Group CFO discharges this function.
AOM	Group CEO	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
AOM	Group CEO	If the Group CEO considers the Board or Chair is doing something that might infringe probity or regularity, he should set this out in writing to the Chair and the Board. If the matter is unresolved, he/she should ask the Audit and Risk Committee to inquire and if necessary, NHS England and Improvement and the Department of Health and Social Care.
AOM	Group CEO	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the Group CEO's responsibility for value for money, the Group CEO should draw the relevant factors to the attention of the Board. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the Group CEO should inform NHS Improvement and / or NHS England and the DHSC. In such cases, and in those described in paragraph 24, the Group CEO should as a member of the Board vote against the course of action rather than merely abstain from voting.
CCA	Group CEO	The Group CEO is accountable to the Chair and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship. The Group CEO should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of

C6: Duties / Decisions Delegated to the Group Chief Executive Officer (Group CEO)		
Source of Delegation	Delegated to	Duties Delegated
		the Board. The other duties of the Group CEO as Accountable Officer are laid out in the Accountable Officer Memorandum.
SO 5.4	Group CEO	The Group CEO shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
SFI 10.2.4	Group CEO	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the system of Internal Control.
SFI 10.2.5	Group CEO	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
SFI 10.2.8	Group CEO	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
SFI 12.1.1	Group CEO	Compile and submit to the Board an Annual Plan which takes into account financial targets and forecast limits of available resources. The Annual Plan will contain: <ul style="list-style-type: none"> a statement of the significant assumptions on which the plan is based; details of major changes in workload, delivery of services or resources required to achieve the plan.
SFI 12.2.1	Group CEO	Delegate budgetary control to budget holders.
SFI 12.4.3	Group CEO	Identify and implement cost improvements and income generation activities in line with the Annual Plan.
SFI 12.6.1	Group CEO	Submit monitoring returns.
SFI 16	Group CEO	Set out tendering and contract procedures (on advice from the Chief Procurement Officer).
SFI 16.12 and 21.2	Group CEO and Group CFO	The Group CEO shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
SFI 16.13	Group CEO	The Group CEO shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
SFI 16.14	Group CEO	The Group CEO shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts. With the exception of Medical Consultant staff, and subject to compliance with existing HR and financial controls, this will be the Trust's Budget Holders.
SFI 16.20	Group CEO	The Group CEO shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an

C6: Duties / Decisions Delegated to the Group Chief Executive Officer (Group CEO)		
Source of Delegation	Delegated to	Duties Delegated
		in-house basis.
SFI 17.1.1	Group CEO	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services.
SFI 17.3	Group CEO	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLAs.
SFI 18.2.2	Group CEO	Approval of variation to funded establishment of any department.
SFI 19.1	Group CEO	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
SFI 19.1.3	Group CEO	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
SFI 19.2.5	Group CEO	Authorise who may use and be issued with official orders.
SFI 21.1.1 & 21.1.2	Group CEO	Capital investment programme: a) ensure that there is an adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans; b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal.
SFI 21.1.3	Group CEO	Issue procedures for management of contracts involving stage payments.
SFI 21.1.6	Group CEO	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
SFI 21.3.1	Group CEO	Maintenance of asset registers (on advice from Group CFO).
SFI 21.4.1	Group CEO	Overall responsibility for non-current assets.
SFI 22.2	Group CEO	Delegate overall responsibility for control of stores (subject to Group CFO responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)

C6: Duties / Decisions Delegated to the Group Chief Executive Officer (Group CEO)		
Source of Delegation	Delegated to	Duties Delegated
SFI 22.3	Group CEO	Identify persons authorised to requisition and accept goods.
SFI 25.2	Group CEO	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
SFI 27	Group CEO	Retention of document procedures in accordance with "Records Management Code of Practice for Health and Social Care 2016".
SFI 28	Group CEO	Responsible for the Risk management programme.

C7: Duties / Decisions Delegated to the Group Chief Finance Officer		
Source of Delegation	Delegated to	Duties Delegated
AOM and SFI 14	Group CFO	Approve the opening of bank accounts Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. Review the banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money. Ensure competitive tenders are sought at least every 5 years for commercial accounts. (Board approves arrangements.)
AOM	Group CFO	Operational responsibility for effective and sound financial management and information.
SFI 10.1.3	Group CFO	Approval of all financial procedures.
SFI 10.1.4	Group CFO	Advice on interpretation or application of SFIs.
SFI 10.2.6	Group CFO	Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) The design, implementation and supervision of systems of internal control. f) Maintaining such accounts, certificates, etc. as required for the Trust to carry out its statutory duties.
SFI 11.1.3 & 11.2.1	Group CFO	Ensure an adequate Internal Audit service is provided and the Audit Committee shall be involved in the selection process when / if an Internal Audit service provider is changed. Ensure the annual audit report is prepared for consideration by the Audit Committee.
SFI 11.2.1	Group CFO	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud, bribery or corruption.
SFI 12.1.2 & 12.1.3	Group CFO	Submit revenue and capital budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
SFI 12.1.6	Group CFO	Ensure adequate training is delivered on an ongoing basis to budget holders.
SFI 12.4.1	Group CFO	Devise and maintain systems of budgetary control.

C7: Duties / Decisions Delegated to the Group Chief Finance Officer		
Source of Delegation	Delegated to	Duties Delegated
SFI 13.1	Group CFO	Preparation of annual accounts and reports.
SFI 15	Group CFO	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
SFI 16.5.6	Group CFO	Report waivers of tendering procedures to the Audit and Risk Committee.
SFI 16.10.1	Group CFO	Authorisation of Tenders: Between £600,000 and £1,000,000 (excluding VAT and over the life of the contract), with professional guidance from the Chief Procurement Officer.
SFI 16.10.1	Group CFO and Group CEO	Authorisation of Tenders: Between £1,000,000 and £3,000,000 (excluding VAT and over the life of the contract), with professional guidance from the Chief Procurement Officer, and signing in conjunction with the Group CEO.
SFI 16.22	Group CFO	Authorise the arrangement of operational or finance leases with a total lifecycle value (including residual value) of less than £1,000,000.
SFI 18.3.5	Group CFO and Director of People	Approve individual compensation payments up to £100,000.
SFI 18.4.1 and 18.4.2	Group CFO	Payroll: a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions (as listed in SFI 18.4.2).
SFI 18.4.4	Group CFO	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
SFI 19.2.2	Group CFO	Shall be responsible for the prompt payment of accounts and claims.
SFI 19.2.3	Group CFO	a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders

C7: Duties / Decisions Delegated to the Group Chief Finance Officer		
Source of Delegation	Delegated to	Duties Delegated
		<p>must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;</p> <p>b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds;</p> <p>c) Be responsible for the prompt payment of all properly authorised accounts and claims;</p> <p>d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</p> <p>e) Be responsible for a timetable and system for submission to the Group CFO of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</p> <p>f) Instructions to employees regarding the handling and payment of accounts within the Finance Department;</p> <p>g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received.</p>
SFI 19.2.4	Group CFO	Approve proposed prepayment arrangements.
SFI 19.3	Group CFO	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act 1977 and Section 75 of the NHS Act 2006.
SFI 20.1.1	Group CFO	The Group CFO will advise the Board on the Trust's ability to pay dividend on PDC and report, periodically, concerning the PDC debt and all loans and overdrafts.
SFI 20.1.3	Group CFO	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
SFI 20.2.2	Group CFO	Will advise the Board on investments and report, periodically, on performance of same.
SFI 20.2.3	Group CFO	Prepare detailed procedural instructions on the operation of investments held.
SFI 21	Group CFO	Ensure that Board members are aware of current Department of Health and Social Care guidance on Capital financial planning and ensure compliance.
SFI 21.1.2	Group CFO	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
SFI 21.1.5	Group CFO	Assess the requirement for the operation of the construction industry taxation deduction scheme.
SFI 21.1.6	Group CFO	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
SFI 21.1.10	Group CFO	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
SFI 21.2	Group CEO and Group	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private

C7: Duties / Decisions Delegated to the Group Chief Finance Officer		
Source of Delegation	Delegated to	Duties Delegated
	CFO	sector.
SFI 21.3	Group CFO	Approve procedures for reconciling balances on non-current assets accounts in ledgers against balances on non-current asset registers.
SFI 21.3.9	Group CFO	Calculate and pay capital charges in accordance with Department of Health and Social Care requirements.
SFI 21.4.2	Group CFO	Approval of non-current asset control procedures.
SFI 22.2	Group CFO	Responsible for systems of control over stores and receipt of goods.
SFI 22.2	Group CFO	Set out procedures and systems to regulate the stores.
SFI 22.2.5	Group CFO	Agree stocktaking arrangements.
SFI 22.2.6	Group CFO	Approve alternative arrangements where a complete system of stores control is not justified.
SFI 22.2.7	Group CFO	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
SFI 23.1.1	Group CFO	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
SFI 23.2.1	Group CFO	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
SFI 23.2.3	Group CFO	Where a criminal offence is suspected, the Group CFO must inform the police if theft or arson is involved. In cases of fraud, bribery and corruption Group CFO must inform the relevant LCFS in line with NHS Standard Contract service condition 24.
SFI 23.2.4	Group CFO	Notify NHS Counter Fraud Authority (NHS CFA) and External Audit of all frauds.
SFI 23.2.5	Group CFO	Notify Board and External Auditor of losses caused by theft, arson, neglect of duty or gross carelessness (unless trivial).
SFI 23.2.8	Group CFO	Consider whether any insurance claim can be made.
SFI 23.2.9	Group CFO	Maintain losses and special payments register.
SFI 23.2.13	Group CFO	Approve the write off of losses or making of special payments within the limits of delegation to the Group CFO. Recommend to the Audit & Risk Committee proposals for the write off of losses or making of special payments above the limits of delegation the Group CEO and Group CFO.
SFI 24.1.1	Group CFO	Responsible for accuracy and security of computerised financial data.

C7: Duties / Decisions Delegated to the Group Chief Finance Officer		
Source of Delegation	Delegated to	Duties Delegated
SFI 24.1.2	Group CFO	Satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurances of adequacy must be obtained from them prior to implementation.
SFI 24.3.1	Group CFO	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.
SFI 25	Group CFO	Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.
SFI 25.3.1	Group CFO	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.
SFI 26.1.1	Group CFO and Trust Secretary	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff.
SFI 28.4.1	Group CFO	Where the Board decides to use the risk pooling schemes administered by NHS Resolution the Group CFO shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Group Chief Finance Officer shall ensure that documented procedures cover these arrangements. Where the Board decides not to use the risk pooling schemes administered by the NHS Resolution for any one or other of the risks covered by the schemes, the Group Chief Finance Officer 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 Group Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.
SFI 28.4.3	Group CFO	Ensure documented procedures cover management of claims and payments below the deductible.

C8: Duties / Decisions Delegated to Hospital CEOs and Hospital Divisional Directors		
Source of Delegation	Delegated to	Duties Delegated
Group Accountability Framework	Hospital CEO	<ol style="list-style-type: none"> 1. Development of a Hospital Operational Plan, including: <ul style="list-style-type: none"> • Finance: delivery of control total and CIPS; • Quality: quality objectives and CQC improvements; • Operational performance: trajectories for constitutional standards • Identify areas of risk potentially requiring Group-level support 2. Be accountable to the Group CEO for Performance Reviews (PRs), the primary mechanism for holding the hospitals to account, taking an integrated approach to performance management across all aspects of the operational plan, and discuss strategic / transformational change and organisational development 3. Development of a well-led development plan at hospital level 4. Hospital CEOs: Operational responsibility for Clinical Pharmacy and Therapies 5. Set delivery expectations with Hospital Divisional Director on behalf of their divisional triumvirates 6. Hold a minimum fortnightly Hospital Executive Board (HEB) Board conforming with the standard terms of reference, providing exception reports to the Group Executive Board 7. Ensure that the six strategic priorities (safe and compassionate, efficient and effective, developing our people, service transformation, improving our infrastructure and research and education) are discussed on the HEB agenda at least monthly. 8. Ensure a systematic interface with Clinical Boards through being a standing item on the HEB agenda. 9. Embed the agreed governance structure reporting into the HEBs Board, with standard terms of reference, linking directly with the Group boards 10. Ensure the relevant Director level attendance on the Group boards 11. Hold Divisions to account 12. Approve consultant appointments for hospital site, in line with the “New and Replacement Consultant Approval Process”.

C8: Duties / Decisions Delegated to Hospital CEOs and Hospital Divisional Directors		
Source of Delegation	Delegated to	Duties Delegated
Role Specification for Divisional Directors	Hospital Divisional Director	<ol style="list-style-type: none"> 1. Chief Officer within the Division, accounting for Divisional Performance 2. Responsible for delivery of Divisional Financial Plan 3. Responsible for delivery of Constitutional Targets 4. Hold monthly performance reviews with own division, modelled on the hospital PRs. 5. Be the Divisional representative on site Hospital Management Boards & EMT 6. Act as the lead on the relationship with Clinical Board/s 7. Chief Officer in division, accounting for performance and improvement 8. Oversight of Divisional implementation of clinical and site strategy 9. Responsible for development and effective working of the Divisional leadership team 10. Responsible for ensuring effective Board to Ward communication, engagement and governance

C9: Other Duties / Decisions Delegated to Named Directors, Trust Secretary and Head of Internal Audit		
Source of Delegation	Delegated to	Duties Delegated
SO 8.4	Group Chief Executive / Group Executive Director	Approve and sign all documents which will be necessary in legal proceedings.
SFI 12.2.3	Any Group Director or Hospital CEO	Approve virements between Hospitals and Sites up to £1,000,000
SFI 16.10.1	Any Group Director or Hospital CEO	Authorisation of Tenders and Competitive Quotations: Under £600,000 (excluding VAT and over the life of the contract), with professional guidance from the Chief Procurement Officer.
SFI 28.4.1	Group CFO, Chief Medical Officer and Chief Nurse	Management of NHS Resolution's clinical negligence scheme, medical litigation and personal injury claims.
	Group Chief Executive and Director of Estates, Facilities and Capital	Arrangements for the management of land, buildings and other assets belonging to or leased by the Trust.
SFI 22	Chief Procurement officer	Management and control of clinical stocks.
SFI 15.2.2	Group Chief Medical Officer and Director of R&D	Authorisation of sponsorship deals and research projects.
SFI 18.3	Group Director of People	Staff, including agency staff, appointments and re-grading.
SFI 18.3.4	Group Director of People and Group Chief Financial Officer	Approve redundancy payments, non-contractual payments and compromise agreements less than £100,000
SFI 16.5.10	Chief Procurement Officer	Waive formal tendering procedures for contracts up to the current FTS limit (in conjunction with the directors shown in the table at SFI 16.5.10).
SFI 16.6.5	Chief Procurement	Responsible for the provision and updating of the Procurement of Goods and Services policy.

C9: Other Duties / Decisions Delegated to Named Directors, Trust Secretary and Head of Internal Audit		
Source of Delegation	Delegated to	Duties Delegated
	Officer	
SFI 16.7.7	Chief Procurement Officer	The Chief Procurement Officer or his/her nominated officer and the respective Directorate should evaluate the tender/quotation and select the quote which gives the best value for money.
SFI 22.2.2	Director of Pharmacy	Responsible for controls of pharmaceutical stocks.
SFI 22.2.2	Director of Estates, Facilities and Capital	Responsible for control of stocks of fuel oil and coal.
SFI 24.1.3	Group Director of Corporate Development	Compliance with the Data Protection Act and the Freedom of Information Act.
SFI 24.1.3	Group Director of Corporate Development	Shall publish and maintain a Freedom of Information Publication Scheme.
SFI 11.3	Head of Internal Audit	Review, appraise and report in accordance with Public Sector Internal Audit Standards and best practice.
SFI 24	Group Director of Strategy	Management and control of IT systems and facilities. Health and safety arrangements including statutory compliance and fire.
SFI 24.4.1	Group Director of Strategy	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery and business continuity plans are in place.
SFI 24.5.1	Group Director of Strategy	Where computer systems have an impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists; c) the Group CFO and staff have access to such data; d) such computer audit reviews as are considered necessary are being carried out.
SO 3.2	Trust Secretary	Remove an item from the agenda of the Trust Board if not received in time or to a suitable standard.

C9: Other Duties / Decisions Delegated to Named Directors, Trust Secretary and Head of Internal Audit		
Source of Delegation	Delegated to	Duties Delegated
SO 7.6	Trust Secretary	Maintain Register(s) of Interests.
SO 8.1 and 8.3	Trust Secretary	Keep the Trust Seal in a safe place and maintain a Register of Sealings.

C10: Duties / Decisions Delegated to Budget Holders, Managers and All Trust Staff		
Source of Delegation	Delegated to	Duties Delegated
SO 5.6	All	Disclosure of non-compliance with Standing Orders to the Group Chief Executive as soon as possible.
SO 7.10	All	Comply with national guidance contained in NHS England 'Conflicts of Interest Model Policy' 2017 and the Code of Conduct for NHS Managers 2002.
SO 7.10	All	Disclose relationship between self and candidate for staff appointment. (Group CEO to report the disclosure to the Board.)
SFI 10.1.6	All	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Group Chief Finance Officer as soon as possible.
SFI 10.2.7	All	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.
SFI 12.3.2	Budget Holder	Ensure that: a) no overspend or reduction of income that cannot be met from budgeted levels is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose; c) with the exception of Medical and Dental Consultants, no permanent employees are appointed without the approval of the Group Chief Executive other than those provided for within available resources and manpower establishment. d) new and replacement Medical and Dental Consultant posts are identified and agreed to in accordance with the "New and Replacement Consultant Approval Process". e) identifying and implementing cost improvements, cost savings and income generation initiatives to achieve a balanced budget; and f) effective systems exist to ensure that all expenditure is authorised in advance of commitment (via the Trust's Purchase Order system) and that the individuals incurring expenditure fully understand their budgetary control responsibilities.
SFI 15.2.3	All	Duty to inform Group CFO of money due from transactions which they initiate/deal with. An advanced deposit must be obtained for all self-pay elective activity equivalent to the estimated cost of the treatment in advance of any treatment being provided.
SFI 18.4.3	Budget holder	Submit time records in line with timetable. Complete time records and other notifications in required form. Submitting termination forms in prescribed form and on time.
SFI 18.5.1	Budget holder	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and deal with variations to, or termination of, contracts of employment.

C10: Duties / Decisions Delegated to Budget Holders, Managers and All Trust Staff		
Source of Delegation	Delegated to	Duties Delegated
SFI 18.7.1	Budget Holder	Managers are responsible for: a) following the procedures and guidance relating to the completion and submission of payroll documentation. b) submission of termination forms submitted to payroll as soon as an employee within their establishment resigns, is terminated or gives notice of retirement. c) ensuring that there are appropriate systems of internal check and control in place within their directorate etc, to ensure that time records, expense claims etc are capable of meaningful certification.
SFI 19.1.4	Budget Holder	Ensure that a Purchase Order is raised for expenditure in advance of commitment. Failure to do so may result in disciplinary action. In the limited circumstances where goods are not delivered to the designated Receipt & Distribution area, ensure that goods and services that have been ordered and received are promptly receipted on the Oracle system.
SFI 19.2.1	Budget holder	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
SFI 19.2.5	Budget holder	Ensure that all items due under a prepayment contract are received (and immediately inform Group CFO if problems are encountered).
SFI 19.2.5 and 19.4.1	Budget Holder	Make a written case to the Group CFO to support the need for a prepayment.
SFI 19.2.8	Budget Holder	Ensure that they comply fully with the guidance and limits specified by the Group Chief Finance Officer.
SFI 22.2.3	Budget holder	Security arrangements and custody of keys.
SFI 22.2.7	Budget holder	Responsible for reviewing slow moving and obsolete stock where they manage stock themselves (and to highlight areas of concern with overstocking to the Materials Management team, and report to Group CFO evidence of significant overstocking.
SFI 23.2.2	All	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the Group CEO and Group CFO.
SFI 21.4.4	Board and all senior staff	Responsibility for security of Trust assets including notifying discrepancies to Group CFO, and reporting losses in accordance with Trust procedure.
SFI 24.2.1	Budget holders	Send proposals for general computer systems to the Director responsible for IT.

Financial Limits

This section of the Scheme of Reservations and Delegations consolidates the financial approval limits of the Trust Board, Executive Directors and budget holders.

C11: Business Case Approvals

All business cases must be evaluated according to the process set out by the Investment Steering Committee.

Source of Delegation	Delegated to	Limit	Delegation
Capital:			
21.1.4	Hospital Executive Boards (HEBs)	As advised annually	Each HEB Board has delegated authority to spend up to a fixed amount (which is advised annually) on capital smaller investment schemes, to address urgent / high-risk priorities.
	Group Executive Board	Below £1,000,000	Approve Outline and Final Business Cases for capital investment, including leased assets, below £1 million.
SO 4.8.5	FIC	Between £1,000,000 and £15,000,000	Approve Outline and Final Business Cases for capital investment, including leased assets, between £1 million and £15 million subject to Trust Board approval of the Trust's overall Capital Programme.
22.1.8	Trust Board	Above £15,000,000	Approve Business Cases for capital investment, including leased assets, above £15 million, before submission to NHS England and Improvement or the Department of Health and Social Care, as appropriate. Delegate where appropriate any authority for FIC approval of business case stages (for cases in excess of £15 million).
Revenue:			
SO 4.8.5	FIC	Above £5,000,000 over 5 years	Revenue Approve business case or service reconfiguration proposals with a cost implication in excess of £5 million over five years.

C12: Other Limits

Type and Source of Delegation	Limit	Delegated To
Redundancy Payments (SFI 18.3.5) Approval of redundancy payments, non-contractual payments and compromise agreements.	Up to £100,000	Group Director of People and Group Chief Finance Officer
	Over £100,000	Nominations and Remuneration Committee
Virements of Budgets (SFI 12.2.3) Virements between Hospitals and Sites require joint authority from respective Group Director or Hospital CEO.	Up to £1,000,000	Any Group Director or Hospital CEO
	Up to £5,000,000	Finance and Investment Committee
	Over £5,000,000	Trust Board.
Asset Disposals (SO 4.8.5)	Below £1,000,000	Group CFO
	Above £1,000,000	FIC

C13: Quotes, Tenders, Waivers, Awards and Contract Signing

Goods & Services (inc Capital) exc VAT	Number of Quotes / Tenders (SFI 16.5.2)	Waiver Sign off (SFI 16.5.10) (with professional guidance from Procurement)	Authorisation of Tenders, Quotations and Award of Contracts (SFI 16.10.1)	Contract Signing (SFI 16.10.2)
Up to £10,000	1 written quotation (minimum)	Under £10,000 – a waiver is not permitted. At least 1 written quote must be obtained in all circumstances.		
Between £10,000 and £50,000	2 written quotations (minimum)	Between £10,000 and FTS limit <ul style="list-style-type: none"> • Head of Finance, and: • Hospital CEO or • Group Director or • Chief Procurement Officer 		
Between £50,000 and FTS Limit	3 written quotations (minimum)			
Over FTS Limit	Public Contracts Regulations (PCR) 2015 applies	Over Find a Tender Service (FTS) Limit Trust Board Approve waivers of competition or waivers of Standing Financial Instructions where it is proposed not to accept the lowest priced tender in respect of the award of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to FTS limit (excluding VAT) or above during the period of the contract.	Under £600,000 (exc VAT) <ul style="list-style-type: none"> • Any Group director, voting or otherwise or • Person directly reporting to the Group Chief Executive or <ul style="list-style-type: none"> • Chief Procurement Officer Between £600,000 and £1,000,000 (exc VAT) <ul style="list-style-type: none"> • Group Chief Finance Officer 	Signing of Contracts over £1,000,000: <ul style="list-style-type: none"> • Any Group Executive Director where a contract has been approved by the Trust Board. • The Group CFO where a contract has been approved for award by Chair's Action and this is awaiting Trust Board ratification
			Between £1,000,000 and £3,000,000 <ul style="list-style-type: none"> • Group Chief Finance Officer, and • Group Chief Executive Officer Over £3,000,000 (exc VAT) <ul style="list-style-type: none"> • Trust Board approves the award 	

Goods & Services (inc Capital) exc VAT	Number of Quotes / Tenders (SFI 16.5.2)	Waiver Sign off (SFI 16.5.10) (with professional guidance from Procurement)	Authorisation of Tenders, Quotations and Award of Contracts (SFI 16.10.1)	Contract Signing (SFI 16.10.2)
Works (including Capital) exc VAT				
Up to £50,000	3 written quotations (minimum)	As above		
Between £50,000 and £100,000	4 written quotations (minimum)			
Between £100,000 to Works FTS Limit	4 tenders (minimum)			
Over works FTS Limit	PCR 2015 applies			

C14: Requisition and Invoice Approval Limits

The table below shows the requisition and invoice approval limits of the budget holders (substantive staff) who are authorised to commit expenditure on the Trust's behalf.

Alternative limits may be in force if the Trust is in Financial Special Measures.

These limits are contained within the Trust's general ledger system (Oracle), but apply equally to the approval of transactions and commitments outside the general ledger, for example staff expense claims.

The limits shown below indicate a maximum approval limit. Lower limits can be granted to a member of staff if the budget holder deems appropriate. The role titles shown in the lower four limit levels are indicative only.

In general, there will be one budget holder per cost centre per level.

Variations to an individual's limit can be made by authority of the Group CFO.

Level	Group Support Services	Hospitals	Limit
9	Group Chief Executive Officer	N/a	£999,999,999
8	Group Chief Finance Officer	N/a	£1,000,000
7	Group Deputy Chief Executive Group Director of People Group Director of Nursing Group Chief Medical Officer Group Director of Corporate Development Group Director of Strategy	Hospital Chief Executive Officer	£200,000
6	Director of ICT Director of Estates, Facilities and Capital	N/a	£118,000
5	Chief Procurement Officer Group Deputy Chief Finance Officers Director of Communications Deputy Director of ICT Deputy Director of Estates	Hospital Deputy CEO Hospital Director of Operations Hospital Director of Nursing & Midwifery Hospital Medical Director Hospital Head of Finance Hospital Assistant Director of People Hospital Deputy Director of Estates & Facilities Divisional Directors	£50,000
4	Associate Directors Assistant Directors Other Deputy Directors	Divisional Manager Divisional Nurse Other Deputy Directors	£25,000
3	Heads of Departments Leads of Departments	General Managers Senior Nurses / Midwives / Medical Staff	£10,000
2	Business Managers Business Partners	Matrons Lead Clinical Staff	£5,000
1	Service Managers	Ward Managers	£1,000

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C15: Losses and Special Payments (SFI 23.2.13)

Description	Group CFO	Group CEO	Audit & Risk Committee	Trust Board
Losses:				
Write off non-NHS receivables	0-£50k	£50k-£100k	£100k-£250k	Above £250k
Losses (inc Cash, Theft, Fraud, Salary Overpayments, Stores)	N/a	N/a	Notify	Notify if above £250k
Fruitless Payments and constructive losses	0-£50k	£50k-£100k	£100k-£250k	Above £250k
Claims waived or abandoned	0-£50k	£50k-£100k	£100k-£250k	Above £250k
Non-Severance Special Payments:				
Extra-contractual; extra-statutory and extra-regulatory; compensation; ex-gratia.	0-£50k	£50k-£95k	£95k-£250k	Above £250k
			<p>NB: Non-Severance Special payments > £95k require additional approval from NHS England and NHS Improvement. Different rules are already in operation for Severance Special Payments.</p>	

C16: Signing of Income Contracts

Income Value (full life of contract)	Delegated to
Up to £500,000	Member of Group Executive Board
Up to £1,000,000	Group Director
Up to £5,000,000	Group Chief Finance Officer
Above £5,000,000	Group Chief Executive Officer

Waiver or Reduction of Trust's Normal Charges (SFI 15.3.4)

No officer of the Trust, except within the boundaries of any delegated authority, is permitted to confirm or agree with a third party (whether NHS or Non-NHS), any reduction to or waiver of the Trusts normal charges, without prior express authority:

Limit	Delegated To
Up to £100,000	Group Chief Finance Officer
Over £100,000	Trust Board

10. INTRODUCTION

10.1. General

- 10.1.1. 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 Standing Financial Instructions 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 (SOs).
- 10.1.2. These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 10.1.3. These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Group Chief Finance Officer.
- 10.1.4. Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Group Chief Finance Officer must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 10.1.5. The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.
- 10.1.6. **Overriding Standing Financial Instructions** – If, for any reason, these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit & Risk Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Group Chief Finance Officer as soon as possible.

10.2. Responsibilities and delegation

The Trust Board

- 10.2.1. The Board exercises financial supervision and control by:
- (a) formulating the financial strategy;
 - (b) requiring the submission and approval of budgets within approved allocations / overall income;
 - (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
 - (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.
- 10.2.2. 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 'Reservation of Matters Reserved to the Board' document. All other powers have been delegated to such other committees as the Trust has established.

The Group Chief Executive and Group Chief Finance Officer

- 10.2.3. The Group Chief Executive and Group Chief Finance Officer will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.
- 10.2.4. Within the Standing Financial Instructions, it is acknowledged that the Group 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 Group 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.
- 10.2.5. It is a duty of the Group Chief Executive to ensure that Members of the Board, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

The Group Chief Finance Officer

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

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

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

Board Members and Employees

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

- (a) the security of the property of the Trust;
- (b) avoiding loss;
- (c) exercising economy and efficiency in the use of resources;
- (d) conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

Contractors and their employees

10.2.8. 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 Group Chief Executive to ensure that such persons are made aware of this.

10.2.9. 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 Group Chief Finance Officer.

11. AUDIT

11.1. Audit and Risk Committee

11.1.1. 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, which will provide an independent and objective view of internal control by:

- a) overseeing Internal (including Counter Fraud) and External Audit services;
- b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments; review 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;
- c) monitoring compliance with Standing Orders and Standing Financial Instructions;
- d) approve schedules of losses and compensations;
- e) act as the Trust's Auditor Panel to advise the Trust Board on the appointment and removal of external auditors;
- f) reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly;
- g) the Audit and Risk Committee will periodically (as defined in its Terms of Reference) review the Waiver Register; and
- h) Performing its functions as detailed in its Terms of Reference.

11.1.2. Where the Audit and Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit and Risk Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health and Social Care. (To the Group Chief Finance Officer in the first instance.)

11.1.3. It is the responsibility of the Group Chief Finance Officer to ensure an adequate Internal Audit service is provided and the Audit and Risk Committee shall be involved in the selection process when/if an Internal Audit service provider is changed.

11.2. Group Chief Finance Officer

11.2.1. The Group Chief Finance Officer is responsible for:

- a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
- b) ensuring that the Internal Audit is adequate and meets the mandatory Public Sector Internal Audit Standards and provides sufficient independent

and objective assurance to the Audit and Risk Committee and the Accountable Officer;

- c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud, bribery or corruption;
- d) ensuring that an annual internal audit report is prepared for the consideration of the Audit and Risk Committee and the Accountable Officer.

The report must cover:

- (a) a clear opinion on the effectiveness of internal control in accordance with current guidance issued by the Department of Health and Social Care including, for example, compliance with control criteria and standards; and
- (b) summary information on:
 - (i) major internal financial control weaknesses discovered;
 - (ii) progress on the implementation of internal audit recommendations; and
 - (iii) progress against plan over the previous year;
- e) ensuring that a strategic audit plan is prepared for the consideration of the Audit and Risk Committee, including a detailed plan for the coming year.

11.2.2. The Group Chief Finance Officer or designated auditors are entitled without necessarily giving prior notice to require and receive:

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

11.3. Role of Internal Audit

11.3.1. Internal Audit will review, appraise and report upon:

- a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- b) the adequacy and application of financial and other related management controls;
- c) the suitability of financial and other related management data;
- d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - (i) fraud and other offences;
 - (ii) waste, extravagance, inefficient administration;
 - (iii) poor value for money or other causes.
- e) Internal Audit shall also independently review the Trust's Assurance Framework and Annual Governance Statement in accordance with Department of Health and Social Care guidance;

f) Detailed guidance on the powers and responsibilities of Internal Audit and Counter Fraud are set out in the Terms of Reference of the Audit and Risk Committee.

11.3.2. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Group Chief Finance Officer must be notified immediately.

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

11.3.4. The Head of Internal Audit shall be accountable to the Group Chief Finance Officer. The reporting system for internal audit shall be agreed between the Group Chief Finance Officer, the Audit and Risk Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standards. The reporting system shall be reviewed at least every three years. Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation of the objectivity of the audit, the Head of Internal Audit shall seek advice of the Board Chair or Chair of the Audit and Risk Committee

11.3.5. The designated officers must carry out agreed audit recommendations within the timescale for action agreed with the Head of Internal Audit. Failure to do so shall be reported to the Group Chief Executive who shall take necessary action to ensure compliance with such recommendations.

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

11.4. External Audit

11.4.1. Under the Local Audit and Accountability Act 2014, the External Auditor is appointed, and paid for, by the Trust.

11.4.2. The Local Audit and Accountability Act 2014 requires that Trusts establish Auditor Panels with responsibility for appointment, contract arrangements and relationship management. The Auditor Panel must ensure a cost-efficient service and ensure that if there are any problems relating to the service provided by the External Auditor, that this is addressed and resolved.

11.5. Fraud, Bribery and Corruption

- 11.5.1. In line with their responsibilities, the Trust Group Chief Executive and Group Chief Finance Officer shall monitor and ensure compliance with NHS Standard Contract service condition on fraud, bribery and corruption.
- 11.5.2. 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 Manual. The LCFS will normally attend Audit and Risk Committee meetings and has a right of access to all Audit and Risk Committee members, the Chair and Group Chief Executive of the Trust.
- 11.5.3. The Local Counter Fraud Specialist shall report to the Trust Group Chief Finance Officer and shall work with staff in the NHS Counter Fraud Authority (NHS CFA) in accordance with the NHS Counter Fraud Manual.
- 11.5.4. The Local Counter Fraud Specialist will provide an annual written report, on counter fraud work within the Trust.

11.6. Security Management

- 11.6.1. The Group Chief Executive will monitor and ensure compliance with the Health and Safety at Work Act 1974, and associated security management requirements outlined within the NHS contract and Care Quality Commission domains.
- 11.6.2. Barts Health NHS Trust shall nominate a suitable senior accountable person to oversee all security management functions.
- 11.6.3. Assurance and compliance of key tasks aligned to Security Management shall be delegated to a suitable accredited Security Director (currently the Associate Director of Estates & Facilities Management)

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

12.1. Preparation and Approval of Plans and Budgets

- 12.1.1. The Group Chief Executive will compile and submit to the Board an Annual Plan which takes into account financial targets and forecast limits of available resources. The Annual Plan will contain:
- (a) a statement of the significant assumptions on which the plan is based;
 - (b) details of major changes in workload, delivery of services or resources required to achieve the plan.
- 12.1.2. Prior to the start of the financial year the Group Chief Finance Officer will, on behalf of the Group Chief Executive, prepare and submit revenue and capital budgets for approval by the Board. Such budgets will:
- (a) be in accordance with the aims and objectives set out in the Annual Plan;
 - (b) accord with workload and manpower plans;
 - (c) be produced following discussion with appropriate budget holders;
 - (d) be prepared within the limits of available funds;
 - (e) identify potential risks.
- 12.1.3. The Group Chief Finance Officer shall monitor financial performance against budget and plan, periodically review them, and report to the Board.
- 12.1.4. All budget holders must provide information as required by the Group Chief Finance Officer to enable budgets to be compiled and monitored.
- 12.1.5. All budget holders will sign up to their allocated budgets at the commencement of each financial year.
- 12.1.6. The Group Chief Finance Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

12.2. Budgetary Delegation

- 12.2.1. The Group Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
- (a) the amount of the budget;
 - (b) the purpose(s) of each budget heading;
 - (c) individual and group responsibilities;
 - (d) authority to exercise virement;
 - (e) achievement of planned levels of service;
 - (f) the provision of regular reports.
- 12.2.2. The Group Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits as set by the Board.

12.2.3. Authority for virement within Hospitals and Sites are as follows:

Limit	Delegation
Up to £1,000,000	Any Group Director or Hospital CEO
Up to £5,000,000	Finance and Investment Committee
Over £5,000,000	Trust Board.

12.2.4. Virements between Hospitals and Sites require joint authority from respective officers.

12.2.5. Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Group Chief Executive, subject to any authorised use of virement.

12.2.6. Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Group Chief Executive, as advised by the Group Chief Finance Officer.

12.3. Budgetary Control and Reporting

12.3.1. The Group Chief Finance Officer will devise and maintain systems of budgetary control. These will include:

- (a) monthly financial reports to the Board in a form approved by the Board containing:
 - (i) income and expenditure to date showing trends and forecast year-end position;
 - (ii) movements in working capital;
 - (iii) Movements in cash and capital;
 - (iv) capital project spend and projected outturn against plan;
 - (v) explanations of any material variances from plan;
 - (vi) details of any corrective action where necessary and the Group Chief Executive's and/or Group Chief Finance Officer's view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
- (c) investigation and reporting of variances from financial, workload and manpower budgets;
- (d) monitoring of management action to correct variances; and
- (e) arrangements for the authorisation of budget transfers.

12.3.2. Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;

- (c) with the exception of Medical and Dental Consultants, 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;
- (d) new and replacement Medical and Dental Consultant posts are identified and agreed to in accordance with the “New and Replacement Consultant Approval Process”.
- (e) identifying and implementing cost improvements, cost savings and income generation initiatives to achieve a balanced budget; and
- (f) effective systems exist within the directorate to ensure that all expenditure is authorised in advance of commitment (via the Trust’s Purchase Order system) and that the individuals incurring expenditure fully understand their budgetary control responsibilities.

12.3.3. The Group Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of setting a balanced budget.

12.3.4. The Group Accountability Framework requires Directorates to consider the directorate finance report each month and take any corrective action to meet their delegated budget and Best Value and Cost Improvement targets.

12.4. Capital Expenditure

12.4.1. The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 21).

12.5. Monitoring Returns

12.5.1. The Group Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

12.6. Revenue Investment Process

12.6.1. The Group Chief Executive shall ensure that there is an adequate appraisal and approval process in place for evaluating changes to operational arrangements, particularly those involving changes to income and/or expenditure profiles. This process should be closely related to the capital investment process (SFI 21) and consider the financial and non-financial impact of any proposed changes and their impact on business plans. This process should be in line with DHSC / HMT guidance and be tailored to be proportionate for the size of the case.

12.6.2. The Group Chief Finance Officer has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate Trust personnel and external agencies in the process.

13. ANNUAL ACCOUNTS AND REPORTS

13.1. The Group Chief Finance Officer

13.1.1. The Group Chief Finance Officer, on behalf of the Trust, will:

- (a) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, and International Financial Reporting Standards;
- (b) prepare and submit annual financial reports to the Department of Health and Social Care certified in accordance with current guidelines;
- (c) submit financial returns to the Department of Health and Social Care for each financial year in accordance with the timetable prescribed by the Department of Health and Social Care.
- (e) responsible for the issue of full guidance and timetables relating to the preparation of the financial returns and annual report to all finance and non- finance staff identified as stakeholders in the process.
- (f) will ensure that an adequate audit trail exists for the financial returns.
- (g) liaise with the Trust secretariat to ensure that the financial returns are examined by the Audit Committee and considered by and adopted by the Trust Board in accordance with the timetable.

13.2. Appointment of Auditors

13.2.1. The Trust's annual accounts must be audited by an auditor appointed by the Trust's Auditor Panel. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

13.3. Annual report and Quality Accounts

13.3.1. 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 and Social Care's Manual for Accounts.

13.3.2. The external auditor's draft Auditor's' Annual Report will be discussed with the Group Chief Executive and Group Chief Finance Officer. It will also be discussed at a meeting of the Audit and Risk Committee prior to submission to the Board. In its final form, the Auditor's' Annual Report will be addressed and submitted to all members of the Board.

14. BANK AND GBS ACCOUNTS

14.1. General

- 14.1.1. The Group Chief Finance Officer is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance / Directions issued from time to time by the Department of Health and Social Care. As per DH guidance, Trusts should minimise the use of commercial bank accounts and use the Government Banking Service (GBS) for all banking services where possible.
- 14.1.2. The Board shall approve the banking arrangements.

14.2. Bank and GBS Accounts

- 14.2.1. The Group Chief Finance Officer is responsible for:
- (a) bank accounts and Government Banking Service (GBS) accounts;
 - (b) establishing separate bank accounts for the Trust's non-exchequer funds;
 - (c) ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
 - (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.
 - (e) monitoring compliance with DHSC guidance on the level of cleared funds.
 - (f) all funds shall be held in accounts in the name of the Trust. No officer other than the Group Chief Finance Officer shall open any bank account in the name of the Trust.

14.3. Banking Procedures

- 14.3.1. The Group Chief Finance Officer will prepare detailed instructions on the operation of bank and GBS accounts which must include:
- (a) the conditions under which each bank and GBS account is to be operated;
 - (b) those authorised to sign cheques or other orders drawn on the Trust's accounts.

- 14.3.2. The Group Chief Finance Officer must advise the Trust's bankers in writing of the conditions under which each account will be operated.

14.4. Tendering and Review

- 14.4.1. The Group Chief Finance Officer 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.
- 14.4.2. Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board. This review is not necessary for GBS accounts.

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

15.1. Income Systems

- 15.1.1. The Group Chief Finance Officer is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 15.1.2. The Group Chief Finance Officer is also responsible for the prompt banking of all monies received.

15.2. Fees and Charges

- 15.2.1. The Trust shall follow the Department of Health and Social Care's advice in setting prices for NHS service agreements.
- 15.2.2. The Group Chief Medical Officer and Director of Research and Development are responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health and Social Care's Commercial Sponsorship – Ethical standards in the NHS shall be followed.
- 15.2.3. All employees must inform the Group Chief Finance Officer promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions. Relevant and full supporting details must be supplied.
- 15.2.4. An advanced deposit must be obtained for all self-pay elective activity equivalent to the estimated cost of the treatment in advance of any treatment being provided.
- 15.2.5. No officer of the Trust, except within the boundaries of any delegated authority, is allowed to confirm or agree with a third party (whether NHS or Non-NHS), any reduction to or waiver of the Trusts normal charges, without the prior express authority of the Group Chief Finance Officer if less than £100,000, the Board if over £100,000.

15.3. Debt Recovery

- 15.3.1. The Group Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts.
- 15.3.2. Income not received should be dealt with in accordance with losses procedures (SFI 23).

- 15.3.3. Overpayments should be detected (or preferably prevented) and recovery initiated. Any phasing of agreed overpayment must be authorised by the Group Chief Finance Officer.
- 15.3.4. No officer without prior approval from the Group Chief Finance Officer is allowed to agree with any third party to the cancellation or reduction of a legitimate debt owed to the Trust.

Limit	Delegated To
Up to £100,000	Group Chief Finance Officer
Over £100,000	Trust Board

15.4. Security of Cash, Cheques and other Negotiable Instruments

- 15.4.1. The Group Chief Finance Officer is responsible for:
 - a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - b) ordering and securely controlling any such stationery;
 - c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
 - d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 15.4.2. Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- 15.4.3. All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Group Chief Finance Officer.
- 15.4.4. 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 (SFI 25).
- 15.4.5. Managers and Officers required to manage and handle cash must ensure that;
 - a) cash is recorded upon receipt, and that there is secure storage available for that cash until it is transferred to the Cashiers Office for banking;
 - b) where practically possible all transactions are adequately witnessed and that amounts received are identical to those deposited in Finance;
 - c) staff are not put at unnecessary risk while handling or transporting cash;
 - d) adhere at all times to the guidance set out in the “Cash Handling” procedure.

16. TENDERING AND CONTRACTING PROCEDURE

16.1. Duty to comply with Standing Orders and Standing Financial Instructions

- 16.1.1. 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 No. 3.13 Suspension of Standing Orders is applied), supplemented by such operational procedures as deemed necessary by the Group Chief Executive and the Group Chief Finance Officer. These operational procedures shall have effect as if incorporated in Standing Orders and Standing Financial Instructions.
- 16.1.2. For all procurements, the Trust's Procurement of Goods and Services Policy must be followed. For procurement in relation to IT equipment or systems / Medical Equipment, regardless of value, the Director of ICT / Head of Clinical Engineering respectively must approve the specification prior to commencement of the procurement process.
- 16.1.3. Prior to tenders being invited, it must be confirmed that:
- a) funding approval has been granted by the relevant board or committee;
 - b) the proposed goods, services or works have been adequately specified;
 - c) as appropriate, the design brief and drawings have been approved and signed off by the primary users; and
 - d) any required statutory approvals have been obtained.

16.2. Public Contracts Regulations (PCR) 2015 Governing Public Procurement

- 16.2.1. On the 1st January 2021, OJEU/TED was replaced by a new e-tendering platform called the 'Find a Tender Service' (FTS). If contract spend is over the PCR 2015 thresholds, tenders legally need to be posted on Find a Tender. Public Contract Regulations 2015 continues to prescribes procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions. In the event of any conflict between these SFIs and such Directives, the Directives shall prevail.

16.3. Reverse eAuctions

- 16.3.1. Tendering activity carried out by Reverse eAuction shall adhere to the Procurement of Goods and Services Policy. The operational procedure shall have effect as if incorporated in Standing Orders and Standing Financial Instructions.

16.4. Department of Health and Social Care Guidance on Capital Investment

- 16.4.1. The Trust shall comply as far as is practicable with the requirements of current Department of Health and Social Care guidance on capital investment in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health and Social Care and NHS England and Improvement guidance.

16.5. Formal Competitive Tendering - Contract value over the current FTS limit (excluding VAT)

General Applicability

16.5.1. Unless national contracts, Framework Agreements, Procure 21, Procure 21+, or similar procedures are followed, tenders must be obtained for the following services:

- (a) the supply of goods, materials, equipment and manufactured articles;
- (b) the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health and Social Care or NHS England and Improvement);
- (c) the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and
- (d) disposals.

16.5.2. The number of quotes or tenders required are set out in the following table:

Goods & Services (including Capital)*	Works (including Capital)*
Up to £10,000: 1 written quotation (minimum)	Up to £50,000: 3 written quotations (minimum)
Between £10,000 and £50,000: 2 written quotations (minimum)	Between £50,000 and £100,000: 4 written quotations (minimum)
Between £50,000 and FTS Limit: 3 written quotations (minimum)	Between £100,000 and FTS Limit: 4 tenders (minimum)
Over FTS Limit: PCR 2015 applies	Over FTS Limit: PCR 2015 applies

- *Values exclude VAT, and are over the life of the contract*

Health Care Services

16.5.3. Where the Trust elects to invite tenders for the supply of health care services, these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

Exceptions and instances where formal tendering need not be applied

- 16.5.4. Formal tendering procedures **need not be applied** where:
- (a) the estimated expenditure or income is, or is reasonably expected to be, less than the prevailing FTS threshold for Goods & Services (excluding VAT) over the life of the contract.
SFI 16.5.2 covering written quotations applies instead;
 - (b) where the supply is proposed under special arrangements negotiated by the Department of Health and Social Care, in which event the said special arrangements must be complied with;
 - (c) regarding disposals as set out in SFI 16.17;
 - (d) where the requirement is covered by an existing valid contract;
 - (e) where NHS Supply Chain, Crown Commercial Services (CCS) or any other public sector body led (e.g. NHS collaborative procurement hubs) agreements are in place which are legally constructed to permit the Trust's participation;
 - (f) 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 where the Chief Procurement Officer is satisfied that the consortium procurement arrangements conform to current statute and deliver value for money;
 - (g) where payment is being made to a current Founding Partner, Executive Partner or Member of the UCL Partners (Academic Health Science Partnership), the requisition and supporting purchase order must state 'Payment made under UCL Partners (Academic Health Science Partnership)' along with a description of what the payment is for;
 - (h) Where a statutory payment can only be made to a specific statutory body (eg rates), authorisation of the bodies considered in this category will be determined by the Group Chief Finance Officer, Chief Procurement Officer or Group Director of Corporate Development;
 - (i) Where payment is to another NHS body and the Chief Procurement Officer is satisfied that the procurement arrangements conform to current statute and deliver value for money;
 - (j) Where payment is less than the current FTS threshold for Goods & Services and is for the renewal of maintenance services under an original supplier contract to provide equipment or IT and the Chief Procurement Officer is satisfied that the procurement arrangements conform to current statute and deliver value for money;
 - (k) Where payment is less than the current FTS threshold for Goods & Services and is for the renewal of software license agreements under an original supplier contract to provide software licenses and the Chief Procurement Officer is satisfied that the procurement arrangements conform to current statute and deliver value for money;
 - (l) Where payment is less than the current FTS threshold for Goods & Services and is for the purchase of replacement equipment parts under an original supplier contract to provide medical equipment and the Chief Procurement Officer is satisfied that the procurement arrangements conform to current statute and deliver value for money.

- (m) Where external funding including research and charitable funds has directly stipulated the end provider of goods and services and is a condition of the donation/funding
- (n) Where payment is being made as an extension to a current education or training contract that is in situ, and the value of the total contract (including the extension) does not exceed the Public Contracts Regulation 2015 current threshold for education and training.

Waivers

- 16.5.5. Formal quotation or tendering procedures may only be waived in very exceptional circumstances detailed in (a) to (h) below (up to the current Find-a-Tender Service limit for goods and services) in accordance with the procedure defined by the Group Chief Finance Officer.
- 16.5.6. The full circumstances for the waiver must be detailed in an appropriate Trust record maintained by the Group Chief Finance Officer and reported to the Trust's Audit and Risk Committee for scrutiny.
 - (a) where the timescale genuinely precludes competitive tendering. However, failure to plan the work properly is not a justification for a waiver of competitive tendering;
 - (b) where there is only one supplier of the goods or services required or where specialist expertise is required and is available from only one source;
 - (c) 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;
 - (d) where there is a clear benefit to be gained from maintaining continuity with an earlier project/equipment procurement exercise. In all cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
 - (e) where it is necessary to place an emergency 'out of hours' order or commit expenditure the on-call estates manager can agree with the Executive on-call to contract on the basis of a single verbal quote up to £10,000 and report this to the Director of Finance and Director of Estates the next day;
 - (f) where it is necessary to place an emergency 'out of hours' order for ex formulary drugs. The governing Pharmacy authorisation practice must be followed;
 - (g) for renewal of maintenance services under an original supplier contract to provide equipment or IT, where the value exceeds the current FTS threshold for Goods & Service;
 - (h) for the provision of legal advice and services providing that any legal form 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'.

- 16.5.7. The waiving of quotation or 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.
- 16.5.8. Where it is proposed that the circumstances in SFI 16.5.6 apply, a formal request for a waiver of competition must be made in writing to the Chief Procurement Officer using the required application form. This shall set out the nature of the goods and services, reasons why a waiver is deemed necessary, the proposed supplier and an estimate of the value of the contract concerned.
- 16.5.9. In considering waiver requests, the Chief Procurement Officer must, and will, have regard for specific Public Contracts Regulations 2015 regarding requirements for competition and exemption from the specified processes where the value of the procurement exceeds the Find a Tender Service threshold.
- 16.5.10. When a waiver is proposed, the limits set out below will apply. Professional guidance from Procurement must be sought.

Waiver Sign off
<p>Under £10,000</p> <p>A waiver is not permitted.</p> <p>A written quotation must be obtained in all circumstances</p>
<p>Between £10,000 and FTS limit</p> <ul style="list-style-type: none"> • Head of Finance, and: • Hospital CEO or • Group Director or • Chief Procurement Officer
<p>Over FTS Limit</p> <p>Trust Board</p>

Fair and Adequate Competition

- 16.5.11. Where tender provisions 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 set out in section 16.5.1 above. No firm should be formally invited to tender unless they have expressed a willingness to do so.

Building and Engineering Construction Works

- 16.5.12. Competitive Tendering cannot be waived for building and engineering construction works and maintenance without Departmental of Health and Social Services approval.

Items which subsequently breach thresholds after original approval

- 16.5.13. Items estimated to be below the limits set out in this Standing Financial Instruction for which formal tendering procedures are not used and which subsequently prove to have a value above such limits shall be reported to the Chief Procurement Officer via a retrospective waiver and approved via the process in 16.5.5. Retrospective waivers are recorded and reported by to the Audit and Risk Committee.

16.6. Contracting / Tendering Procedure

- 16.6.1. Invitation to tender
- (ii) All invitations to tender shall be in electronic format, either email or via the electronic e-sourcing tool unless agreed in writing with the Chief Procurement Officer
 - (iii) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
 - (iv) If the contract value is over FTS threshold, the electronic portal must be used.
 - (v) Every tender for goods, materials, services or disposals shall reference such of the NHS Standard Contract Conditions as are applicable.
 - (vi) Every tender for building or engineering works (except for maintenance work, when DHSC 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 DHSC guidance; 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 and Social Care guidance and, in minor respects, to cover special features of individual projects.

- (vii) The identity of firms being invited to tender shall not be revealed to other tenderers for that work (any exception to this as part of an eProcurement arrangement will need to follow procedural requirements set out in the Procurement of Goods and Services policy and require endorsement by the Chief Procurement Officer).
- (viii) Every tender must have given, or give a written undertaking, not to engage in collusive tendering or other restrictive practice.

Retention of tender documentation

16.6.2. The returned tender responses, the specification and evaluation notes and Minutes must be retained electronically for audit purposes for the financial year in which the tender exercise falls plus seven financial years. Internal and External Audit will periodically review all aspects of procurement, including the choice of companies invited to tender and the operation of these procedures. The process may also be challenged by unsuccessful bidders. It is therefore vital that complete documentation demonstrating the decision making process is produced and retained.

16.6.3. Admissibility of tenders

- (i) If all tenders received exceed the approved estimate, the procuring officer, taking into account the advice of the appropriate senior manager and the Group Chief Finance Officer, shall determine how best to proceed.
- (ii) 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), the Chief Procurement Officer shall determine how best to proceed. The ultimate decision shall be recorded, together with any reasons
- (iii) Tenders received after the due time and date, but prior to the opening of the other tenders, may be regarded as having arrived in due time only if the Chief Procurement Officer decides that the tender was dispatched in good time but delayed through no fault of the tenderer.
- (iv) 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 process of evaluation and adjudication has not started. The reason for admitting a tender under such circumstances must be formally minuted and retained with the tender documentation.
- (v) Qualified tenders (i.e. where a contractor proposed conditions which differ from those laid down by the Board), incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing), amended tenders (i.e. those amended by the tenderers upon his own initiative either orally or in writing after the due time for receipt) and those accidentally opened in error, shall be considered by the Group Chief Executive. He, taking into account advice of the Group Chief Finance Officer, shall decide whether they are admissible and minute decisions taken, together with any reasons.
- (vi) While decisions as to the admissibility of late, qualified, incomplete or amended tenders or tenders opened in error are under consideration,

the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Trust Secretary or his nominated officer.

- (vii) Any tender received which has not been invited by the Trust shall be returned to the tenderer.

16.6.4. Acceptance of formal tenders

- (i) Where only one tender is sought and/or received, the Chief Procurement Officer shall, as far as is practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.
- (ii) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.
- (iii) The lowest tender (if payment is to be made by the Trust) or the highest tender (if payment is to be received by the Trust) shall be accepted unless there are good and sufficient reasons to the contrary. Exceptions to this provision will require a waiver of Standing Financial Instructions. Application for such a waiver must be made in writing to the Chief Procurement Officer, setting out the reasons for the request. Such waivers will be recorded in a Tender Waivers Register held by the Group Chief Finance Officer and reported to the Trust's Audit and Risk Committee at each meeting. Where the proposed waiver is for a contract with a value exceeding the current FTSFTS limit, the Group Chief Finance Officer must submit the request for a waiver, in advance, to the Trust Board for approval. Only after Board approval may the waiver be granted.
- (iv) 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.
- (v) Tenders for contracts shall only be awarded after they have been approved by the appropriate authority as set out in section 16.8 and following confirmation from the Chief Procurement Officer that correct procedures have been adhered to for the particular procurement process.
- (vi) 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 Group Chief Executive as advised by the Group Chief Finance Officer.
- (vii) The use of these procedures must demonstrate that the award of the contract was:
 - (a) not in excess of the going market rate / price current at the time the contract was awarded;
 - (b) that best value for money was achieved.
- (viii) All tenders should be treated as confidential and should be retained for inspection.

Quotations: Competitive and non-competitive

16.6.5. Quotations can be handled entirely by the Procurement and Supplies Department in liaison with the respective department. Further details are provided in the Trust's Tendering for Goods and Services Policy. The policy is complementary to the Standing Financial Instructions and use is mandatory for all staff involved in any aspect of procurement. The Chief Procurement Officer is responsible for the provision and updating of the policy.

16.7. Competitive Quotations

16.7.1. Competitive Quotations are required where the contract value is less than the current FTS limit (excluding VAT) over the life of the contract.

16.7.2. Competitive quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income is less than, or is reasonably expected to be less than, the current FTS limit (excluding VAT). If the actual expenditure later becomes more than the current FTS limit (excluding VAT), the Group Chief Finance Officer must be requested to approve the allocation of work without the use of competitive tendering.

16.7.3. The Chief Procurement OfficerChief Procurement Officer is responsible for ensuring that a process is in place to ensure that declarations of interest forms have been received for all individuals involved in evaluating the quotations prior to any contract award, where the contract value exceeds £50,000 and in the case of management consultancy services, above £25,000.

16.7.4. Quotations should be obtained per section 16.5.1, in all cases adhering to Trust Terms and conditions unless agreed by the Chief Procurement Officer..

16.7.5. All quotations should be in writing.

16.7.6. All quotations should be treated as confidential and should be retained for inspection.

16.7.7. The Chief Procurement Officer or his / her nominated officer and the respective Directorate should evaluate the competitive quotation and select the quote 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 electronically

16.8. Non Competitive Quotations

16.8.1. For the circumstances set out in section 16.5.4, competitive quotes are not required. However, a written quotation(s) must be obtained from the preferred supplier.

16.9. Quotations to be within Financial Limits

16.9.1. 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.

16.10. Authorisation of Tenders and Competitive Quotations

16.10.1. Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract, including contract signing, may be decided by the following staff to the value of the contract as follows:

- Any Director voting or otherwise and persons directly reporting to Group Chief Executive under £600,000 (excluding VAT) with professional guidance from the Chief Procurement Officer
- Group Chief Finance Officer between £600,000 and £1,000,000 (excluding VAT) with professional guidance from the Chief Procurement Officer
- Between £1,000,000 and £3,000,000:
 - Group Chief Finance Officer, and
 - Group Chief Executive Officer
- Over £3,000,000 (excluding VAT):
 - Trust Board

16.10.2. Contracts will be signed on behalf of the Board by:

- An Executive Director where a contract has been approved for award by the Trust Board;
- The Group Chief Finance Officer where a contract has been approved for award by Chair's Action and this is awaiting Trust Board ratification.

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

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

16.10.5. Contracts for standard clinical consumables and related services against national approved frameworks do not need to follow the above process and may be signed by the Chief Procurement Officer.

16.11. Instances where formal competitive tendering or competitive quotation is not required

16.11.1. Where competitive tendering or a competitive quotation is not required, the Trust shall use in preference and where possible the NHS Supply Chain or any other procurement public sector body whose agreements are legally constructed to permit the Trust's participation unless the Chief Procurement

Officer or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.

16.12. Private Finance for capital procurement (see overlap with SFI No. 21)

- 16.12.1. 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:
- a) The Group Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
 - b) Where the sum exceeds delegated limits, a business case must be referred to the Department of Health and Social Care for approval or treated as per current guidelines.
 - c) The proposal must be specifically agreed by the Board of the Trust.
 - d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

16.13. Compliance requirements for all contracts

- 16.13.1. 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:
- a) The Trust's Standing Orders and Standing Financial Instructions;
 - b) Public Contracts Regulations 2015 and other statutory provisions;
 - c) Any relevant directions included in guidance issued by the Department of Health and Social Care;
 - d) Such of the NHS Standard Contract Conditions as are applicable;
 - e) Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;
 - f) 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.
 - g) 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 Group Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
- 16.13.2. Every contract shall specify:
- a) The same terms and conditions of contract as was the basis on which tenders or quotations were invited. Letters of intent should include all the tender conditions to preserve the contractual relationship before formal execution;
 - b) The work, materials to be used, quality specification and service specification (where applicable);
 - c) The price to be paid with a statement of discounts or other deductions if any;

- d) The time or times within which the contract is to be performed (where applicable);
- e) Quality standards and compliance monitoring arrangements.

16.14. Personnel and Agency or Temporary Staff Contracts

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

16.15. Cancellation of Contracts

- 16.15.1. Except where specific provision is made in model Forms or Contracts or standard Schedules of Conditions approved for use within the National Health Service, there shall be inserted in every written contract a clause empowering the Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor or a member of his employ (whether with or without his knowledge) has offered, given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for carrying out or failing to carry out any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or if in relation to any contract with the Trust the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1906 and 1916 and other appropriate legislation.

16.16. Determination of Contracts for Failure to Deliver Goods or Material and liquidated damages

- 16.16.1. There shall be inserted in every written contract for the supply of goods or materials, a clause to ensure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Trust may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods, or material of similar description to make good (a) such default, or (b) in the event of the contract being wholly determined, the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.
- 16.16.2. All contracts for building and engineering works shall include provision for liquidated damages. Where a sum above the minimum is required, this shall be determined by the Project Officer in accordance with an estimate of the damages the Trust is likely to incur through late completion of the works by the contractor provided that the amount so derived does not in the opinion of the Project Director or their nominee amount to a penalty.
- 16.16.3. The Project Director shall determine when liquidated damages shall be enforced after consultation with the Design Team and, if the Project Director considers it necessary, with lawyers.

16.17. National Contracts

- 16.17.1. Where national contracts exist for the supply of goods or services, the use of these contracts shall be mandatory unless the goods or services required are of such a nature i.e. highly specialised as to render the use of these contracts impracticable, or better value for money can be obtained elsewhere. In the latter case, the contract should be referred back to the Procurement and Supplies Department for confirmation before the contract is let. The Procurement team shall monitor orders placed by Procurement and Supplies Department in the Trust to ensure that proper use is made of negotiated contracts.

16.18. Healthcare Services Agreements

- 16.18.1. 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 therefore not enforceable by the courts. However, a contract with an NHS Foundation Trust, being a Public Benefit Corporation, is a legal document and is enforceable in law.
- 16.18.2. The Group Chief Executive shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

16.19. Disposals

- 16.19.1. Competitive Tendering or Quotation procedures shall not apply to the disposal of:
- a) 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 Group Chief Executive or his nominated officer;
 - b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
 - c) items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed on a periodic basis;
 - d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
 - e) land or buildings concerning which Department of Health and Social Care guidance has been issued but subject to compliance with such guidance.
- 16.19.2. For any item which is to be disposed of by sale, in any form, i.e. competitive tender, quotation, non-competitive quotation or advertisement, the Trust's Recording and Disposal of Assets Policy must be followed.

16.20. In-house Services

- 16.20.1. The Group 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.
- 16.20.2. In all cases where the Trust determines that in-house services should be subject to competitive tendering the following groups shall be set up:
- a) Specification group, comprising the Group Chief Executive or nominated officer(s) and specialist(s).
 - b) In-house tender group, comprising representatives of the in-house team, a nominee of the Group Chief Executive and technical support.

- c) Evaluation group, comprising normally a specialist officer, a member of the Procurement and Supplies department and a Group Chief Finance Officer representative.

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

16.20.4. The evaluation group shall make recommendations to the Board.

16.20.5. The Group Chief Executive shall nominate an officer to oversee and manage the contract.

16.21. Research and Development

16.21.1. All research activities (sponsored or unsponsored), to be undertaken by Trust employees, or staff paid directly or indirectly by the Trust and / or using Trust premises, facilities or resources of any kind and/or involving Trust patients or volunteers, must be reported to the Trust's Research & Development (R&D) Office.

16.21.2. This office has been established to support staff in their research activities, assist them in securing the most beneficial contracts, and ensuring intellectual property rights are properly protected for the benefit of the individual and the Trust. Individuals who do not take projects (which utilise Trust resources) through the R&D Office, shall be liable to reimburse the Trust a sum for overhead costs as determined by the Director of Research & Development.

16.21.3. The R&D Office will have a number of standard operating procedures.

16.22. ICT procurement

16.22.1. There is a need for a consistent approach to ICT procurement, security, development and practice in the Trust, to ensure value for money and that opportunity and risks associated with the above are properly managed. The Trust will have a number of standard policies and procedures.

16.22.2. Compliance with these policies and procedures is compulsory. Systems (hardware/software) purchased or in use without due authority from the Director of ICT will not be supported and may result in disciplinary action being taken.

16.23. Leases

16.23.1. The Group Chief Finance Officer can authorise the arrangement of operational or finance leases with a total lifecycle value (including residual value) of less than £1,000,000. Leases with a lifecycle cost of more than £1,000,000 must be authorised by the Board.

17. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES

17.1. Service Level Agreements (SLAs)

- 17.1.1. The Group Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services.
- 17.1.2. All SLAs should aim to implement the agreed priorities contained within the Sustainability and Transformation Partnership Delivery Plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Group 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;
 - national NHS Standards and Performance targets;
 - that SLAs build where appropriate on existing Joint Investment Plans;
 - that SLAs are based on integrated care pathways.

17.2. Involving Partners and jointly managing risk

- 17.2.1. 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 Group 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.

17.3. Reports to the Board on SLAs

- 17.3.1. The Group 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 SLAs. 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 application across the range of SLAs.

18. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES

18.1. Remuneration and Terms of Service

- 18.1.1. In accordance with Standing Orders the Board shall establish a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.
- 18.1.2. The Committee shall have delegated authority from the Trust Board to determine the broad remuneration policy and performance management framework and to decide the remuneration, allowances and other terms and conditions of office for the Trust's senior managers; to monitor and evaluate the performance of individual officer members (and other senior employees); and to 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.
- 18.1.3. The Remuneration Committee Chair shall report orally to the Board after each of its meetings.
- 18.1.4. The Remuneration Committee will receive reports detailing all Trust employees who have been made redundant or taken early retirement. These reports will include the cost of the redundancy or early retirement.
- 18.1.5. The Trust will pay allowances to the Chair and non-officer members of the Board in accordance with instructions issued by the Secretary of State for Health.

18.2. Funded Establishment

- 18.2.1. The manpower plans incorporated within the annual budget will form the funded establishment.
- 18.2.2. The funded establishment of any department may not be varied without the approval of the Chief Executive.

18.3. Staff Appointments

- 18.3.1. All new and replacement Medical and Dental Consultant posts must be approved in line with the Trust's "New and Replacement Consultant Approval Process". Exceptionally the relevant Trust committee may approve business cases to grant funding for a new post in year.
- 18.3.2. For all other Staff groups, no officer or Member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:
 - a) unless authorised to do so by the Group Chief Executive;
 - b) within the limit of their approved budget and funded establishment.

18.3.3. No officer or employee of the Trust may commit the Trust to any redundancy, early retirement, or negotiated employment termination settlement without the approval in advance of the Group Chief Finance Officer and Group Director of People subject to prevailing Treasury approval requirements.

18.3.4. Approve redundancy payments, non-contractual payments and compromise agreements.

- Total package less than £100,000:
 - Group Director of People and Group Chief Finance Officer
- Total package exceeding £100,000:
 - Remuneration Committee

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

18.4. Processing Payroll

18.4.1. The Group Chief Finance Officer is responsible for:

- a) specifying timetables for submission of properly authorised time records and other notifications;
- b) the final determination of pay and allowances;
- c) making payment on agreed dates;
- d) agreeing method of payment.

18.4.2. The Group Chief Finance Officer will issue instructions regarding:

- a) verification and documentation of data;
- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- d) security and confidentiality of payroll information;
- e) checks to be applied to completed payroll before and after payment;
- f) authority to release payroll data under the provisions of the Data Protection Act;
- g) methods of payment available to various categories of employee and officers;
- h) procedures for payment by cheque, bank credit, or cash to employees and officers;
- i) procedures for the recall of cheques and bank credits;
- j) pay advances and their recovery;
- k) maintenance of regular and independent reconciliation of pay control accounts;
- l) separation of duties of preparing records and handling cash;
- m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

- n) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement
- o) Where the payroll service has been contracted out, these instructions will be agreed between the parties concerned and documented as part of the SLA.

- 18.4.3. Appropriately nominated managers have delegated responsibility for:
- a) submitting time records, and other notifications in accordance with agreed timetables;
 - b) completing time records and other notifications in accordance with the Group Chief Finance Officer's instructions and in the form prescribed by the Group Chief Finance Officer;
 - c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Group Chief Finance Officer must be informed immediately.
- 18.4.4. Regardless of the arrangements for providing the payroll service, the Group Chief Finance Officer 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.
- 18.4.5. The dates on which the payments of salaries and wages are to be made, including special circumstances (e.g. bank holidays), will be in accordance with agreed timetables, having regard to the general rule that it is undesirable to make payments in advance. Payment to an individual shall not be made in advance of the normal pay day, except as authorised by the Group Chief Finance Officer to meet special circumstances and limited to the net pay due at the time of payment.

18.5. Contracts of Employment

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

18.6. Ex-Gratia Payments

- 18.6.1. Ex-gratia payments can only be made after approval has been obtained in accordance with SFI 23.

18.7. Managers' Responsibilities

18.7.1. Managers are responsible for:

- a) following the procedures and guidance relating to the completion and submission of payroll documentation.
- b) submission of termination forms submitted to payroll as soon as an employee within their establishment resigns, is terminated or gives notice of retirement.
- c) ensuring that there are appropriate systems of internal check and control in place within their directorate etc, to ensure that time records, expense claims etc are capable of meaningful certification.

19. NON-PAY EXPENDITURE

19.1. Delegation of Authority

- 19.1.1. The Board will approve the level of non-pay expenditure on an annual basis and the Group Chief Executive will determine the level of delegation to budget managers.
- 19.1.2. The Group Chief Executive will set out:
- a) the list of managers who are authorised to place requisitions for the supply of goods and services;
 - b) the maximum level of each requisition and the system for authorisation above that level.
- 19.1.3. The Group Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.
- 19.1.4. A Trust Purchase Order (PO) must be raised before any expenditure can be incurred on behalf of the Trust.

19.2. Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 16)

Requisitioning

- 19.2.1. The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Group Chief Finance Officer (and/or the Group Chief Executive) shall be consulted.

System of Payment and Payment Verification

- 19.2.2. The Group Chief Finance Officer 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.
- 19.2.3. The Group Chief Finance Officer will:
- a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
 - b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
 - c) be responsible for the prompt payment of all properly authorised accounts and claims;
 - d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

19.2.4. The system shall provide for:

- a) A list of Board 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 Chief Finance Officer 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.
- e) 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 19.2.5 below.

Prepayments

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

- a) Prepayments are only permitted where the financial advantages outweigh the disadvantages;
- b) 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;
- c) The Group Chief Finance Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account Public Contracts Regulations 2015 procurement rules where the contract is above a stipulated financial threshold);
- d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Group Chief Executive if problems are encountered.

Official orders

- 19.2.6. All official orders must be generated from the Trust financial system, except Pharmacy orders, which must be generated from the Pharmacy system, and temporary staffing orders, known as BRNs (Booking Reference Number), which must be generated from the Temporary Staffing booking system.
- 19.2.7. Orders must:
- a) be consecutively and uniquely numbered;
 - b) be in a form approved by the Group Chief Finance Officer;
 - c) state the Trust's terms and conditions of trade.

Duties of Managers and Officers

- 19.2.8. Managers and officers must ensure that they comply fully with the guidance and limits specified by the Group Chief Finance Officer and that:
- a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Group Chief Finance Officer in advance of any commitment being made;
 - b) contracts above specified thresholds are advertised and awarded in accordance with Public Contracts Regulations 2015 public procurement;
 - c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and Social Care;
 - d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
 - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - (ii) conventional hospitality, such as lunches in the course of working visits;

(This provision needs to be read in conjunction with Standing Order No. 6 and the principles outlined in the national guidance contained in HSG 93(5) Standards of Business Conduct for NHS Staff, the Code of Conduct for NHS Managers 2002 and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry.

- e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Group Chief Finance Officer on behalf of the Group Chief Executive;
- f) all goods, services, or works are ordered on an official order purchases from petty cash or a purchase card;
- g) all orders must be time and or value limited with an annual renewal unless clear advantages in achieving value for money can be demonstrated from longer term agreements.
- h) verbal orders must only be issued very exceptionally - by an employee designated by the Group Chief Executive and only in cases of

emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";

- i) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- j) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- k) changes to the list of employees and officers authorised to certify invoices are notified to the Group Chief Finance Officer;
- l) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Group Chief Finance Officer;
- m) petty cash records are maintained in a form as determined by the Group Chief Finance Officer.
- n) No officer shall place any order with an individual to whom the officer is related or with any firm in which the officer has a financial interest.

Receipting of goods and services

19.2.9. All goods for the Trust's main hospital sites must be delivered to the designated Receipt & Distribution area, to be checked and booked into the general ledger system (Oracle) or its inventory management system (Atticus) by Goods Receiving Officers.

19.2.10. The only exceptions to this are satellite sites, or where the nature of the goods requires 'direct to department' delivery, for example radioactive or temperature-controlled items, in which case the requisitioner holds responsibility for arranging receipting of the order.

19.2.11. The Group Chief Executive and Group Chief Finance Officer shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance issued by the Department of Health and Social Care. The technical audit of these contracts shall be the responsibility of the relevant Director.

19.2.12. The Group Chief Finance Officer is responsible for maintaining and updating a register of financial authorities.

19.3. Joint Finance Arrangements with Local Authorities and Voluntary Bodies

19.3.1. Payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act and Section 75 of the NHS Act 2006 shall comply with procedures laid down by the Group Chief Finance Officer which shall be in accordance with these Acts.

19.4. Responsibilities of All Employees

19.4.1. All employees must:

- a) prior to raising or authorising any requisition ensure that adequate budgetary provision exists against the budget code they are using, or

they have made appropriate arrangements for virement or reporting the expected over commitment . If these checks have not been undertaken or budgetary provision does not exist, they should draw this to the attention of the signatory / line manager;

- b) follow the Trust's procedures when obtaining goods, works and services (e.g. Tendering for Goods and Services Procedure) and obtain best value for money;
- c) follow the Trust's procedures on certifying receipt of goods, works and services to enable invoices to be paid (relevant management procedures);
- d) prepayments are permitted only in exceptional circumstances and must be approved in advance by the Chief Finance Officer;
- e) all non-stock orders (ie orders to be satisfied by means other than NHS Supply Chain orders) must be placed by the Materials Management team via Atticus or eDC or by requisitioners via Oracle.;
- f) ensure that "stock" requisition items (ie those obtained via NHS Supply Chain) are used wherever possible;
- g) ensure that budgetary provision exists;
- h) not seek to place orders with firms who have made offers of gifts; rewards or benefits (see Standards of Business Conduct);
- i) not take goods on trial or loan where this commits the Trust to a future purchase;
- j) not split requisitions to avoid financial thresholds, enter contracts, including rental and leasing agreements, that are for items of a capital nature without the express approval of the Group Chief Executive and Group Chief Finance Officer;
- k) Only place orders via Oracle iProcurement. Telephone and direct orders to suppliers are not permitted unless specific arrangements have been agreed in advance with the Chief Procurement Officer or Group Chief Finance Officer.

19.5. Supplies

19.5.1. The Trust Supplies department will:-

- a) only process properly authorised requisitions and ensure that competition is (or has been) appropriately taken in accordance with the Trust's Tendering for Goods and Services Procedure;
- b) liaise with the Group Chief Finance Officer on issues regarding the systems for ordering, receipt and payment;
- c) place sequentially numbered Purchase Orders incorporating the Trust's terms and conditions of trade.

19.6. Petty Cash

19.6.1. Purchases that will be reimbursed from petty cash are restricted in type and must be supported by receipt(s) and certified by an authorised signatory.

- 19.6.2. The Group Chief Finance Officer will determine record-keeping and other instructions relating to petty cash.

20. EXTERNAL BORROWING

20.1. General

- 20.1.1. The Group Chief Finance Officer 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 and Social Care. The Group Chief Finance Officer is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- 20.1.2. 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 Group Chief Executive and the Group Chief Finance Officer.
- 20.1.3. The Group Chief Finance Officer must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 20.1.4. All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from the Department of Health and Social Care. Any short term borrowing requirement in excess of one month must be authorised by the Group Chief Finance Officer.
- 20.1.5. Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Group Chief Executive or the Group Chief Finance Officer. The Board must be made aware of all short term borrowings at the next Board meeting.
- 20.1.6. All long-term borrowing must be consistent with the plans outlined in the current Annual Plan and be approved by the Trust Board.
- 20.1.7. All loans, or changes to loans, must be approved by the Group Chief Finance Officer or Finance and Investment Committee.
- 20.1.8. Any application for a loan or overdraft will only be made by the Group Chief Finance Officer or by an employee so delegated by him.
- 20.1.9. The Group Chief Finance Officer will include any key balance sheet changes in the "Balanced Scorecard" report prepared for the Trust Board. This will include changes to public dividend capital and other borrowings.

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

21.1. Capital Investment

21.1.1. The Group Chief Executive:

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

21.1.2. For every capital expenditure proposal the Group Chief Executive shall ensure:

- a) that a business case (in line with the guidance issued by DHSC is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) the involvement of appropriate Trust personnel and external agencies;
 - (iii) appropriate project management and control arrangements.
- (b) that the Group Chief Finance Officer has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate Trust personnel and external agencies in the process.

21.1.3. For capital schemes where the contracts stipulate stage payments, the Group Chief Executive will issue procedures for their management, incorporating the recommendations issued by DHSC.

21.1.4. Each Hospital Site is given delegated authority to spend a capital amount (to be advised annually) on smaller investment schemes, to address urgent / high-risk priorities. Each site submits their proposals for smaller schemes to the Trust's Investment Steering Committee, where these smaller schemes will be approved on a fast-track basis under terms agreed by the Group Executive Board or other relevant committee.

21.1.5. The Group Chief Finance Officer shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue & Customs guidance.

21.1.6. The Group Chief Finance Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

- 21.1.7. The approval of a capital programme shall not constitute approval for expenditure on any scheme. The Group Chief Executive shall issue to the manager responsible for any scheme:
- a) specific authority to commit expenditure;
 - b) authority to proceed to tender;
 - c) approval to accept a successful tender.
- 21.1.8. The Group Chief Executive will issue a scheme of delegation for capital investment management in accordance with DHSC guidance and the Trust's Standing Orders and Standing Financial Instructions.
- 21.1.9. All capital business cases over £15 million should be subject to appropriate governance processes, including approval from the Trust Board before being submitted to NHS England and Improvement or the Department of Health and Social Care, as appropriate.
- 21.1.10. The Group Chief Finance Officer 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 guidance issued by the Department of Health and Social Care.

21.2. Private Finance (see overlap with SFI 16.12)

- 21.2.1. 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 Allocations, the following procedures shall apply:
- a) The Group Chief Finance Officer shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
 - b) Where the sum involved exceeds delegated limits, the business case must be referred to the Department of Health and Social Care or in line with any current guidelines.
 - c) The proposal must be specifically agreed by the Board.

21.3. Asset Registers

- 21.3.1. The Group Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Group Chief Finance Officer 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 every 3 years. Medical and ICT Equipment and will be identified and managed by the Medical Equipment and ICT departments respectively.
- 21.3.2. The Trust shall maintain an asset register recording non-current assets with sufficient details to enable the assets identification, type of asset, location, budget holder and asset manager.

- 21.3.3. The minimum data set to be held within these registers shall be as specified under International Financial Reporting Standards (IFRS), the DHSC Group Accounting Manual and other guidance as issued by the Department of Health and Social Care.
- 21.3.4. Additions to the non-current asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
- a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 - b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
 - c) lease agreements in respect of assets held under a finance lease and capitalised.
- 21.3.5. 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).
- 21.3.6. The Group Chief Finance Officer shall approve procedures for reconciling balances on non-current assets accounts in ledgers against balances on non-current asset registers.
- 21.3.7. The value of each asset shall be indexed to current values in accordance with methods specified by the Department of Health and Social Care in the Group Accounting Manual or as advised by the Valuer as appointed by the Trust.
- 21.3.8. The value of each asset shall be depreciated using methods and rates as specified by DHSC in the DHSC Group Accounting Manual.
- 21.3.9. The Group Chief Finance Officer of the Trust shall calculate and pay capital charges as specified by the DHSC in the DHSC Group Accounting Manual.
- 21.3.10. The financial value of a project is the total cost, including all works, furniture, equipment, fees, land and VAT. The procurement of a project in parts, such that any part is below the financial limits, is expressly forbidden.

21.4. Security of Assets

- 21.4.1. The overall control of non-current assets is the responsibility of the Group Chief Executive.
- 21.4.2. Asset control procedures (including non-current assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Group Chief Finance Officer. This procedure shall make provision for:
- a) recording managerial responsibility for each asset;
 - b) identification of additions and disposals;
 - c) identification of all repairs and maintenance expenses;

- d) physical security of assets;
- e) periodic verification of the existence of, condition of, and title to, assets recorded;
- f) identification and reporting of all costs associated with the retention of an asset;
- g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

- 21.4.3. All discrepancies revealed by verification of physical assets to the non-current asset register shall be notified to the Group Chief Finance Officer.
- 21.4.4. 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.
- 21.4.5. 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.
- 21.4.6. Where practical, assets should be marked as Trust property.

22. STORES AND RECEIPT OF GOODS

22.1. General position

- 22.1.1. A controlled store is one which is subject to formal control by the Supply Chain Team over access to stocks and detailed records are kept of stock, issues and receipts. Stock is subject to an annual stocktake and subject to formal valuation at the lower of cost and net realisable value. Transactions are only charged to departmental budgets when stock is issued from the store
- 22.1.2. Departmental stores are unlikely to have the same level of control as controlled stores and transactions are charged to departmental budgets on receipt of goods. Stock should be subject to periodic stocktake and material differences between year-end figures notified to the Group Chief Finance Officer.
- 22.1.3. A number of principles apply to the operation of all stores. The Supply Chain Team or departmental employees (for non Materials Management areas) are responsible for ensuring that:
- a) stocks are kept to a minimum commensurate with delivery and cost effective purchasing;
 - b) stocks are subjected to annual stock take, which complies with Year End procedures and timetable issued by the Finance Department;
 - c) stocks are valued at the lower of cost or net realisable value;
 - d) losses and the disposal of obsolete stock are reported to the Group Chief Finance Officer (and Local Counter Fraud Officer / Risk Management where there is loss due to theft, criminal damage or other untoward incident). (See also SFI 23).

22.2. Control of Stores, Stocktaking, Condemnations and Disposal

- 22.2.1. Subject to the responsibility of the Group Chief Finance Officer for the systems of control, overall responsibility for the control of stores shall be delegated to Procurement & Supply Chain or Department employee by the Group Chief Executive. The day-to-day responsibility may be delegated by him to Materials Management staff or departmental employees (for non Materials Management areas) , subject to such delegation being entered in a record available to the Group Chief Finance Officer.
- 22.2.2. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- 22.2.3. The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 22.2.4. The Group Chief Finance Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 22.2.5. Stocktaking arrangements shall be agreed with the Group Chief Finance Officer and there shall be a physical check covering all items in store at least once a year.
- 22.2.6. Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Group Chief Finance Officer.
- 22.2.7. The Supply Chain Team/Pharmaceutical Officer shall be responsible for a system approved by the Group Chief Finance Officer for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Supply Chain Team representative/ Officer shall report to the Group Chief Finance Officer any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 23 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.

22.3. Goods supplied by NHS Supply Chain

- 22.3.1. For goods supplied via the NHS Supply Chain Distribution Centres, , the Group Chief Executive shall identify those authorised to requisition and accept goods.. The authorised person shall check receipt against the delivery note and highlight any discrepancies as per the agreed NHS Supply Chain process to ensure that the Trust are charged appropriately for items received..

23. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

23.1. Disposals and Condemnations

Procedures

- 23.1.1. The Group Chief Finance Officer must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to all relevant managers. In the case of Medical and ICT equipment the notification of disposal will be received from the medical equipment or ICT equipment management databases.
- 23.1.2. When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise the Group Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate.
- 23.1.3. All unserviceable articles shall be:
- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Group Chief Finance Officer;
 - b) recorded by the Condemning Officer in a form or other notification approved by the Group Chief Finance Officer which will indicate whether the articles are to be converted, destroyed or otherwise disposed of.
- 23.1.4. 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 Group Chief Finance Officer who will take the appropriate action.
- 23.1.5. Sales to third parties must be accompanied by an indemnity in accordance with Trust Disposal Procedures.

23.2. Losses and Special Payments

Procedures

- 23.2.1. The Group Chief Finance Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
- 23.2.2. 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 Group Chief Executive and the Group Chief Finance Officer or inform an officer charged with responsibility for responding to concerns involving loss.
- 23.2.3. This officer will then appropriately inform the Group Chief Finance Officer and/or Group Chief Executive. Where a criminal offence is suspected, the Group Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud, bribery and corruption or of anomalies which may indicate fraud, bribery or corruption, the Group Chief Finance Officer must inform the relevant LCFS in accordance with NHS Standard Contract service condition 24.
- 23.2.4. The Group Chief Finance Officer must notify the NHS Counter Fraud Authority (NHS CFA) and the External Auditor of all frauds.
- 23.2.5. For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Group Chief Finance Officer must immediately notify:
 - a) the Board;
 - b) the External Auditor.
- 23.2.6. Following processes notified by the Department of Health and Social Care and within limits delegated to it by the Department of Health and Social Care, the Board shall approve the writing-off of losses.
- 23.2.7. The Group Chief Finance Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 23.2.8. For any loss, the Group Chief Finance Officer should consider whether any insurance claim can be made.
- 23.2.9. The Group Chief Finance Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 23.2.10. No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health and Social Care.
- 23.2.11. All losses and special payments must be reported to the Audit and Risk Committee at every meeting.
- 23.2.12. HM Treasury's "Managing Public Money" sets out guidance on Losses, Write offs, and Special Payments. NHS Improvement and / or NHS England should be consulted in all cases, irrespective of the amount of money concerned, if they:
 - involve important questions of principle;
 - raise doubts about the effectiveness of existing systems;

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- contain lessons which might be of wider interest;
- are novel or contentious;
- might create a precedent for other departments in similar circumstances;
- arise because of obscure or ambiguous instructions issued centrally.

23.2.13. Delegation of authority to approve losses and non- severance special payments is set out below:

Description	Group CFO	Group CEO	Audit & Risk Committee	Trust Board
Losses:				
Write off non-NHS receivables	0-£50k	£50k-£100k	£100k-£250k	Above £250k
Losses (inc Cash, Theft, Fraud, Salary Overpayments, Stores)	N/a	N/a	Notify	Notify if above £250k
Fruitless Payments and constructive losses	0-£50k	£50k-£100k	£100k-£250k	Above £250k
Claims waived or abandoned	0-£50k	£50k-£100k	£100k-£250k	Above £250k
Non-Severance Special Payments: Extra-contractual; extra-statutory and extra-regulatory; compensation; ex-gratia.	0-£50k	£50k-£95k	£95k-£250k	Above £250k
			<p>NB: Special payments > £95k require additional approval from NHS England and NHS Improvement.</p> <p>Different rules are already in operation for Severance Special Payments.</p>	

24. INFORMATION TECHNOLOGY

24.1. Responsibilities and duties of the Group Director of Strategy and Group Director of Corporate Development

- 24.1.1. The Group Director of Strategy, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018;
 - b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
 - c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
 - d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- 24.1.2. The Group Director of Strategy 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.
- 24.1.3. The Group Director of Corporate Development 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.

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

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

24.3. Contracts for Computer Services with other health bodies or outside agencies

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

24.4. Risk Assessment

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

24.5. Requirements for Computer Systems which have an impact on corporate financial systems

- 24.5.1. Where computer systems have an impact on corporate financial systems the Group Director of Strategy shall need to be satisfied that:
- a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
 - b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
 - c) the Group Chief Finance Officer's staff have access to such data;
 - d) such computer audit reviews as are considered necessary are being carried out.

25. PATIENTS' PROPERTY

25.1. General

- 25.1.1. 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.

25.2. Group Chief Executive Responsibilities

- 25.2.1. The Group Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:
- notices and information booklets;
 - 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.

25.3. Management of Property

- 25.3.1. The Group Chief Finance Officer 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.
- 25.3.2. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.
- 25.3.3. Where Department of Health and Social Care instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Group Chief Finance Officer.
- 25.3.4. 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.
- 25.3.5. 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.
- 25.3.6. 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.

26. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 6 and SFI No. 21.2.6 (d))

26.1. Group Chief Finance Officer Responsibilities

- 26.1.1. The Group Chief Finance Officer 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 Department of Health and Social Care circular HSG (93) 5 Standards of Business Conduct for NHS Staff; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 6).

27. RETENTION OF RECORDS

27.1. Group Chief Executive Responsibilities

- 27.1.1. The Group Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health and Social Care guidelines.

27.2. General

- 27.2.1. The records held in archives shall be capable of retrieval by authorised persons.

27.3. Records Destruction

- 27.3.1. Records held in accordance with latest Department of Health and Social Care guidance shall only be destroyed at the express instigation of the Group Chief Executive. Detail shall be maintained of records so destroyed.

28. RISK MANAGEMENT AND INSURANCE

Programme of Risk Management

- 28.1.1. The Group Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health and Social Care assurance framework requirements, which must be approved and monitored by the Board.
- 28.1.2. The programme of risk management shall include:
- a) a process for identifying and quantifying risks and potential liabilities;
 - b) engendering among all levels of staff a positive attitude towards the control of risk;
 - c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
 - d) contingency plans to offset the impact of adverse events;
 - e) audit arrangements including; Internal Audit, clinical audit, health and safety review;
 - f) a clear indication of which risks shall be insured;
 - g) arrangements to review the Risk Management programme.
- 28.1.3. The existence, integration and evaluation of the above elements will assist in providing a basis to make an Annual Governance Statement on the effectiveness of Internal Control within the Annual Report and Accounts as required by current Department of Health and Social Care guidance.

28.2. Insurance: Risk Pooling Schemes administered by NHS Resolution

- 28.2.1. 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.

28.3. Insurance arrangements with commercial insurers

- 28.3.1. There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, three exceptions when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:
- a) Trusts may enter commercial arrangements for insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;

- b) 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; and
- c) 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 Group Chief Finance Officer should consult the Department of Health and Social Care.

28.4. Arrangements to be followed by the Board in agreeing Insurance cover

- 28.4.1. Where the Board decides to use the risk pooling schemes administered by NHS Resolution, the Group Chief Finance Officer, Chief Medical Officer and Chief Nurse shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Group Chief Finance Officer shall ensure that documented procedures cover these arrangements.
- 28.4.2. 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 Group Chief Finance Officer 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 Group Chief Finance Officer, Chief Medical Officer and Chief Nurse 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.
- 28.4.3. All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Group Chief Finance Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case.