

Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions

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**Standing Orders, Reservation and Delegation of Powers
and Standing Financial Instructions
Version Control Sheet**

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1	New Policy	Job title amendments and reference given	2 November 2011	Rebecca Bennett/Bev Wormald
2	Whole Document	Full review and update	19 th July 2012	Bev Wormald
3	Section C – Scheme of Reservation and Delegation	Minor amendment to delegated authority	4 th September 2012	Bev Wormald
4	Section C – Scheme of Reservation & Delegation and Annex 1 Financial Limits	Amendment to SFI 11.1.1 Audit Committee and SFI 16.8 Authorisation of Contracts exceeding £5m Minor administrative corrections and addition of an Equality Analysis	December 2012	Michele Salter Bev Wormald
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9.0	Sections A (1.2.6, 1.2.18), Section B (2.1, 2.6 (2) and (5), 4.8.2, 4.8.5, 4.8.6, 6.4, 8.2,), Section C, Section D (11.1.1, 11.6.4,11.4.1)	Review of whole document – updates to provisions, thresholds and guidance and general administrative changes	August 2017	Trust Board Secretary / Corporate Assurance Manager

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Lincolnshire Community Health Services

Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions

Policy Statement

Background

Standing Orders, together with Standing Financial Instructions provide a regulatory framework for the business conduct of the Trust. They fulfill the dual role of protecting the interests of the Trust and its staff.

Statement

The Standing Orders, Scheme of Delegation and Standing Financial Instructions provide a comprehensive business framework for Lincolnshire Community Health Services NHS Trust and shall apply, irrespective of the source of funding.

Responsibilities

All executive and non-executive directors, and all members of staff, should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions. Failure to comply with standing orders and standing financial instructions is a disciplinary matter which could result in dismissal.

Training

Directors and service leads are responsible for ensuring that all staff are aware of requirements outlined within this document and receive any training which may be deemed necessary for them to reasonably carry out the provisions contained within.

Dissemination

Website.

Resource implication

It is expected that this policy will be delivered within the existing resources of Lincolnshire Community Health NHS Trust.

Consultation

It is expected that all local operating procedures be deployed following consultation with relevant professional and service leads.

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 Chief Executive or Secretary to the Board).
- 1.2 Any expression to which a meaning is given in the National Health Service Act 2006 or in any other Acts of Parliament relating to the National Health Service or in any Regulations made under such 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 Chief Executive.
- 1.2.2 "**Trust**" means the Lincolnshire Community Health Services NHS Trust.
- 1.2.3 "**Board or Trust Board**" means the Chair, Executive Directors and Non-Executive Directors of the Trust collectively as a body.
- 1.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.2.5 "**Budget holder**" means the director of employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- 1.2.6 "**Chair of the Board (or Trust)**" is the person appointed by NHS Improvement on behalf of the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chair of the Trust" shall be deemed to include the Vice-Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.
- 1.2.7 "**Chief Executive**" means the chief officer of the Trust.
- 1.2.8 "**Quality and Risk Committee**" means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of healthcare for which the Lincolnshire Community Health Services NHS Trust has responsibility.
- 1.2.9 "**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.
- 1.2.10 "**Committee**" means a committee or sub-committee created and appointed by the Trust.
- 1.2.11 "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.12 "**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.
- 1.2.13 "**Director of Finance**" means the Chief Financial Officer of the Trust.

- 1.2.14 **"Funds held on trust"** shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under paragraph 14(2)(c) of Schedule 4 to the 2006 Act. Such funds may or may not be charitable.
- 1.2.15 **"Member"** means Executive Director or Non-Executive Director of the Board as the context permits. Member in relation to the Board does not include its Chair.
- 1.2.16 **"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.
- 1.2.17 **"Membership and Procedure Regulations"** means the National Health Service Trusts (Membership and Procedure) Regulations (SI 1990/2024) as amended from time to time.
- 1.2.18 **"NHS Improvement"** means the operational name for the organisation that brings together Monitor and the NHS Trust Development Authority.
- 1.2.19 **"Nominated officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.20 **"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 5 of the Membership and Procedure Regulations.
- 1.2.21 **"Officer"** means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.22 **"Executive Director"** means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 5 of the Membership and Procedure Regulations (i.e. the Chair of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- 1.2.23 **"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 NHS Improvement guidance.
- 1.2.24 **"SFIs"** means Standing Financial Instructions.
- 1.2.25 **"SOs"** means Standing Orders.
- 1.2.26 **"Vice-Chair"** means the Non-Executive Director appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.
- 1.2.27 **"2006 Act"** means The National Health Service Act 2006, as amended from time to time.
- 1.2.28 **"Bailee"** refers to a person or organisation in possession (but not ownership) of another person's or organisation's property. In reference to the Scheme of Delegation, the Trust is the bailee of patient property and as such, has a duty to take reasonable care of this and return it in accordance with any express or implied contract of bailment.

SECTION B – STANDING ORDERS

1. INTRODUCTION

1.1 Statutory Framework

The Lincolnshire Community Health Services NHS Trust (the Trust) is a statutory body which came into existence on 1st April 2011 under The Lincolnshire Community Health Services NHS Trust (Establishment) Order 2011 No 802, (Establishment Order).

- (1) The principal place of business of the Trust is Beech House, Witham Park, Waterside South, Lincoln, LN5 7JH.
- (2) NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 2006) and the Health and Social Care Act 2012.
- (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.
- (5) The Membership and Procedure Regulations require 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.
- (6) 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 issues further directions and guidance. These are normally issued under cover of a circular or letter.
- (2) The Code of Accountability requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The Codes of Conduct makes various requirements concerning possible conflicts of interest of Board members.

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 relating to the Arrangements for the Exercise of Functions (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 or subcommittee appointed by virtue of Standing Order 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". Delegated Powers are covered in a separate document (Reservation of Powers to the Board and Delegation of Powers). (See Section 1.8 and Appendix 2 of the Corporate Governance Framework Manual.) This document has effect as if incorporated into the Standing Orders. Delegated Powers are covered in a separate document entitled – "Schedule of Matters reserved to the Board and Scheme of Delegation" and 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 and research governance. 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 Membership and Procedure Regulations, the Trust's Establishment Order and The National Health Service Trust Development Authority Directions the composition of the Board shall be:

- (1) The Chair of the Trust (appointed by NHS Improvement);
- (2) 5 Non-Executive Directors (appointed by NHS Improvement);
- (3) 5 Executive Directors with full voting rights including:
 - *the Chief Executive;*
 - *the Director of Finance;*

2.2 Appointment of Chair and Members of the Trust

- (1) Appointment of the Chair and Members of the Trust - Paragraph 3 of Schedule 4 to the 2006 Act provides that the Chair is appointed by the Secretary of State, but otherwise the appointment and tenure of office of the Chair and members are set out in the Membership and Procedure Regulations.

2.3 Terms of Office of the Chair and Members

- (1) Regulation 7 of the Membership and Procedure Regulations sets out the period of tenure of office of the Chair and members and Regulations 8 and 9 of the Membership and Procedure Regulations set out provisions regarding the termination or suspension of office of the Chair and members.

2.4 Appointment and Powers of Vice-Chair

- (1) Subject to Standing Order 2.4 (2) below, the Chair and members of the Trust may appoint one of their numbers, who is not also an Executive Director, to be Vice-Chair, for such period, not exceeding the remainder of his term as a member of the Trust, as they may specify on appointing him.
- (2) Any member so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The Chair and members may thereupon appoint another member as Vice-Chair in accordance with the provisions of Standing Order 2.4 (1).
- (3) Where the Chair of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chair owing to illness or any other cause, the Vice-Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes their duties, as the case may be; and references to the Chair in these Standing Orders shall, so long as there is no Chair able to perform those duties, be taken to include references to the Vice-Chair.

2.5 Joint Members

- (1) Where more than one person is appointed jointly to a post mentioned in regulation 6 of the Membership and Procedure Regulations those persons shall count for the purpose of Standing Order 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;
 - (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.11 Quorum.

2.6 Role of Members

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

(1) Executive Members

The five voting Executive Members shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation.

(2) Chief Executive

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

(3) Director of Finance

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

(4) Non-Executive Members

The Non-Executive Members 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. The Chair must comply with the terms of appointment and with these Standing Orders.

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

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

2.7 Corporate Role of the Board

- (1) All business shall be conducted in the name of the Trust.
- (2) All funds received in trust shall be held in the name of the Trust as corporate trustee.
- (3) The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No. 3.
- (4) The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

2.8 Schedule of Matters Reserved to the Trust Board and Scheme of Delegation

- (1) The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the "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.

2.9 Lead Roles for Board Members

The Chair will ensure that the designation of Lead roles or appointments of Board members as required by the Department of Health or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement.

3. MEETINGS OF THE TRUST

3.1 Calling meetings

- (1) Ordinary meetings of the 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 Board a written notice specifying the business proposed, to be transacted, and any supporting papers, shall be provided electronically to every member, so as to be available to members at least three clear days before the meeting. The notice shall be signed by the Chair or by an officer authorised by the Chair to sign on their behalf. Want of service of such a notice on any member shall not affect the validity of a meeting.
- (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 Standing Order 3.6.
- (4) A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chair at least 10 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 10 days before a meeting may be included on the agenda at the discretion of the Chair.
- (5) Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed on the Trust's website and a media release will be sent to all local media outlets at least three clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).

3.3 Agenda and Supporting Papers

The Agenda will be sent to members at least 7 days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be dispatched no later than three clear days before the meeting, save in emergency.

Trust Board papers must be written in the required Trust Board format and be submitted to the Trust Office at least 7 clear days before the date of the Trust Board meeting to facilitate timely distribution of the papers.

3.4 Petitions

Where a petition has been received by the Trust the Chair may, in his/her absolute discretion, include the petition as an item for the agenda of the next meeting.

3.5 Notice of Motion

- (1) Subject to the provision of Standing Orders 3.7 "Motions: Procedure at and during a meeting and 3.8 "Motions to rescind a resolution, a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chair.
- (2) The notice shall be provided electronically at least 15 clear calendar days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

3.6 Emergency Motions

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

3.7 Motions: Procedure at and During a Meeting

i) 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.

i) Contents of motions

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

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

ii) Amendments to motions

A motion for amendment of a motion 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.

iii) 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.

v) Withdrawing a motion

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

vi) Motions once under debate

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

- an amendment to the motion;
- the adjournment of the discussion, or the meeting; - that the meeting proceed to the next business;
- that the question should be now put;
- the appointment of an 'ad hoc' committee to deal with a specific item of business;

- that a member/director be not further heard;
- a motion under Section I (2) or Section I (8) of the Public Bodies (Admission to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.17).

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

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

3.8 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 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 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 absent, such member (who is not also an Executive Director of the Trust) as the members present shall choose shall preside.

3.10 Chair's Ruling

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

- (i) No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and other voting members of the Board (including at least two members who are also an Executive Director of the Trust and two members who are not) are present.
- (ii) An Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- (iii) If the Chair or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see Standing Order No.7) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or

voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

3.12 Voting

- (i) Save as provided in Standing Orders 3.13 - Suspension of Standing Orders and 3.14 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of the voting members present and voting on the question. In the case of an equal vote, the person presiding, ie: the Chair of the meeting shall have a second, and casting vote.
- (ii) At the discretion of the Chair all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chair directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- (iii) If at least one third of the voting 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).
- (iv) If a member so requests, their vote shall be recorded by name.
- (v) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (vi) An Officer 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.
- (vii) An Officer 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.
- (viii) For the voting rules relating to joint members see Standing Order 2.5.

3.13 Suspension of Standing Orders

- (i) Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (Standing Order 3.11), 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 member who is an Executive Director of the Trust and one member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- (ii) 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.
- (iii) No formal business may be transacted while Standing Orders are suspended.
- (iv) The Audit Committee shall review every decision to suspend Standing Orders.

3.14 Variation and Amendment of Standing Orders

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

- upon a notice of motion under Standing Order 3.5;

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

3.15 Record of Attendance

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

3.16 Minutes

The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.

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

3.17 Admission of Public and the Press

(i) Admission and exclusion on grounds of confidentiality of business to be transacted

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

- 'that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 1 (2), Public Bodies (Admission to Meetings) Act 1960
- On matters to be included in the exclusion, due regard should be given to the Freedom of Information Act 2000.
- *Guidance should be sought from the NHS Trust's Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.*

(ii) 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 thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Trust Board resolving as follows:

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

(iii) 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 (i) and (ii) above, shall be

confidential to the members of the Board.

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

(iv) Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings

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

3.18 Observers at Trust Meetings

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

4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

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

The Trust Board 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 Appointment of Sub-committees

Any committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State, appoint subcommittees consisting wholly or partly of members of the committees (whether or not they include directors of the Trust) or wholly of persons who are not members of the committee (whether or not they include directors of the Trust).

4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees

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

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

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

The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

4.7 Appointments for Statutory functions

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

4.8 Committees to be Established by the Trust Board

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

4.8.1 Audit Committee

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

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 Committee will also act as an Auditor Panel to advise on the appointment of external auditors as detailed in Schedule 4 of the Local Audit and Accountability Act 2014. Authority to carry out this duty is delegated to Audit Committee by Trust Board.

4.8.2 Remuneration and Terms of Service Committee

A Board Remuneration and Terms of Service Standing Committee has been established to oversee, review and advise the Board about appropriate terms of service and remuneration for the Chief Executive and the other Executive Directors, including:

- (i) all aspects of salary (including any performance-related elements /bonuses);
- (ii) provisions for other benefits, including pensions and cars;
- (iii) arrangements for termination of employment and other contractual terms.

In addition, the Committee will also review redundancy payments for all Trust staff members.

Membership of the Board Remuneration and Terms of Service Standing Committee comprises of the Trust Chair and the Non-Executive Directors.

4.8.3 Trust and Charitable Funds Committee

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

The provisions of this Standing Order must be read in conjunction with Standing Order 2.8 and Standing Financial Instructions 29.

4.8.4 Quality and Risk Committee

The purpose of the Quality and Risk Committee will be to monitor, review and report on the quality of services provided by the Trust. This will include review of governance, compliance and regulation, risk management and internal control systems to ensure that the Trust's services deliver safe, high quality, patient-centered care; performance against internal and external quality improvement targets; and progress in implementing action plans to address shortcomings in the quality of services, should they be identified. Membership will comprise of two Non Executive Directors and two members of the Executive Leadership Team. The Terms of Reference will be approved by the Trust Board and reviewed on a periodic basis.

4.8.5 Finance, Performance and Investment Committee

The Finance Performance and Investment Committee role within the Trust includes the review, consideration, investigation, monitoring and approval, as appropriate, of the following:

- Financial strategy, policy, management and reporting.
- Performance management and reporting
- Investment policy, management and reporting.
- Operational Plan
- IM&T Strategy
- Procurement strategy
- Estates strategy

Membership of the Committee comprises two Non-Executive Directors (one of whom will act as Chair), the Trust Chief Executive and three Executive Directors, including the Director of Finance. The Committee receives reports from the Workforce and Transformation Executive Group and Health and Safety Committee, and reports directly to the Trust Board on a monthly basis.

4.8.6 Auditor Panel

An Auditor Panel has been established to advise on the appointment of external auditors as detailed under Schedule 4 of the Local Audit and Accountability Act 2014 (see SO 4.8.1).

4.8.7 Other Committees

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

5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

5.1 Delegation of Functions to Committees, Officers or Other Bodies

- 5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust in each case subject to such restrictions and conditions as the Trust thinks fit.
- 5.1.2 Paragraph 18 of Schedule 4 of the 2006 Act allows the functions of the Trust to be carried out jointly with any one or more of the following: NHS trusts, Special Health Authorities or any other body or individual, on such terms as the Trust considers appropriate.

5.2 Emergency Powers and Urgent Decisions

The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.9) may in emergency or for an urgent decision be exercised by the Chief Executive and the Chair after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chair shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

The powers to commit resources proportionate to an incident response, which are reserved to the Board within these Standing Orders may, for a major incident or emergency that requires the immediate commitment of resources be exercised by the Director on-call. The exercise of such powers by the Director on-call shall be notified to the next meeting of the Executive Leadership Group and shall be reported to the next meeting of the Trust Board for formal ratification.

5.3 Delegation to Committees

- 5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees which it has formally constituted in accordance with Regulation 15 of the Membership and Procedure Regulations. The constitution and terms of reference of these committees, or sub-committees and their specific executive powers shall be approved by the Board.

5.4 Delegation to Officers

- 5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committee or sub-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the Trust.
- 5.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.
- 5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance to provide information and advise the Board in accordance with statutory or Department of Health requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

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

- 5.5.1 The arrangements made by the Board as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" of powers shall have effect as if incorporated in these

Standing Orders.

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

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

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

6.2 Specific Policy Statements

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:

- the Standards of Business Conduct and Conflicts of Interest Policy for Lincolnshire Community Health Services NHS Trust staff;
- the staff Disciplinary and Appeals Procedures adopted by the Trust;

both of which shall have effect as if incorporated in these Standing Orders.

6.3 Standing Financial Instructions

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

Notwithstanding the application of Standing Order 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with all relevant legislation and guidance including, amongst others:

- Caldicott Guardian Manual 2010;
- Human Rights Act 1998;
- Freedom of Information Act 2000;
- Bribery Act 2010;
- The Public Contracts Regulations 2015;
- The Code of Conduct for NHS Managers 2002;
- The NHS Codes of Conduct and Accountability 2004;
- Commercial Sponsorship - Ethical Standards for the NHS 2000
- Standards for members of NHS boards and Clinical Commissioning Group governing bodies in England. (2013)
- Standards of Business Conduct Policy (2017)
- Third party assurance from legal professionals

Where such legislation or guidance is updated or revised, the version in force at the relevant

date must be considered.

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

7.1 Declaration of Interests

Each Director has a duty to avoid a situation in which the director has (or can have) a direct or indirect interest that conflicts (or may conflict) with the interests of the Trust and a duty not to accept a benefit from a third party by reason of being a director or doing (or not doing) anything in that capacity.

7.1.1 Requirements for Declaring Interests and Applicability to Board Members

- i) The NHS Code of Accountability requires Trust Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.
- ii) Board members are required to declare the nature and extent of any direct or indirect interests in any proposed contracts, transactions or arrangements to the Trust Board prior to them being entered into. Such declarations should be made in writing (or where made orally at a meeting, confirmed in writing) and sent to the Trust Board Secretary for consideration by the Trust Board. Should a declaration prove to be, or become, inaccurate or incomplete a further declaration should be made. Responsibility to declare an interest is solely that of the director concerned and shall be declared within 14 days of appointment or, if arising later, as soon as the director becomes aware of the interest.

7.1.2 Interests which are Relevant and Material

- (i) Interests which should be regarded as "relevant and material" are:
 - a) Directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);
 - b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
 - c) Majority or controlling share holdings in organizations likely or possibly seeking to do business with the NHS;
 - d) A position of Authority in a charity or voluntary organisation in the field of health and social care;
 - e) Any connection with a voluntary or other organization contracting for NHS services;
 - f) Research funding/grants that may be received by an individual or their department;
 - g) Interests in pooled funds that are under separate management.
- (ii) Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her

(as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

7.1.3 Advice on Interests

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

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, together with spouses, partners and other family members.

7.1.4 Recording of Interests in Trust Board Minutes

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

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

7.1.5 Publication of Declared Interests in Annual Report

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

7.1.6 Conflicts of Interest which arise during the Course of a Meeting

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

7.2 Register of Interests

7.2.1 The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board or Committee 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 Trust Board members.

7.2.2. These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding twelve months will be incorporated.

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

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

7.3.1 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:

(i) "spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other

spouse, be deemed to be an interest of that other spouse);

- (ii) "contract" shall include any proposed contract or other course of dealing.
- (iii) "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:-

- a) 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
- b) he/she is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.

iv) Exception to Pecuniary interests

A person shall not be regarded as having a pecuniary interest in any contract if:-

- a) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
- b) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
- c) those securities of any company in which he/she (or any person connected with him/her) 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 (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 7.1.2 (ii).

7.3.2 Exclusion in Proceedings of the Trust Board

- (i) Subject to the following provisions of this Standing Order, if the Chair or a member of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (ii) The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (See SO 7.3.3 on the "Waiver which has been approved by the Secretary of State for Health).
- (iii) The Trust Board may exclude the Chair or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he/she has a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chair or a Member by virtue of paragraph 11 of Schedule 4 to the 2006 Act (pay and allowances) shall not

be treated as a pecuniary interest for the purpose of this Standing Order.

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

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

(1) Power of the Secretary of State to make waivers

Under regulation 20(2) of the Membership and Procedure 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 imposed by regulation 20 (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.

7.4 Standards of Business Conduct

7.4.1 Trust Policy and National Guidance

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

7.4.2 Interest of Officers in Contracts

- i) 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 7.3) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Trust's Board Secretary as soon as practicable.
- ii) An Officer should also declare to the Chief Executive any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- iii) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

7.4.3 Canvassing of and Recommendations by Members in Relation to Appointments

- i) Canvassing of members of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- ii) Members of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

7.4.4 Relatives of Members or Officers

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

- ii) The Chair and every member and officer of the Trust shall disclose to the Trust Board any relationship between themselves and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.
- (iv) On appointment, members (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other member or holder of any office under the Trust.
- (iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed "Disability of Chair and members in proceedings on account of pecuniary interest (SO 7) shall apply.

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

8.1 Custody of Seal

The common seal of the Trust shall be kept by the Chief Executive or a nominated Manager by him/her in a secure place.

8.2 Sealing of Documents

Where it is necessary that a document shall be sealed, the seal shall be affixed and then authenticated by the Chair, or of some other person authorised (whether generally or specifically) by the Trust for that purpose, and of one other Director, neither from the originating department.

8.3 Register of Sealing

The Chief Executive shall keep a register in which he/she, or another manager of the Authority authorised by him/her, shall enter a record of the sealing of every document.

8.4 Signature of Documents

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

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

SECTION 9 – NOT USED

SECTION C – SCHEME OF RESERVATION AND DELEGATION

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>General Enabling Provision</p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
NA	THE BOARD	<p><i>Regulations and Control</i></p> <ol style="list-style-type: none"> 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Ratify any urgent decisions taken by the Chair and Chief Executive in public session in accordance with SO 5.2. 5. Approve a scheme of delegation of powers from the Board to committees. 6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 7. Require and receive the declaration of officer's interests that may conflict with those of the Trust. 8. Approve arrangements for dealing with complaints. 9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on. 11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailee for patients' property.

		<p>15. Authorise use of the seal.</p> <p>16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6.</p> <p>17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.</p>
NA	THE BOARD	<p>Appointments/Dismissal</p> <ol style="list-style-type: none"> 1. Appoint the Vice Chair of the Board. 2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board. 3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2). 4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies. 5. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders). <p>Approve proposals of the Remuneration Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Remuneration Committee.</p>
NA	THE BOARD	<p>Strategy, Plans and Budgets</p> <ol style="list-style-type: none"> 1. Define the strategic aims and objectives of the Trust. 2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State. 3. Approve the Trust's policies and procedures for the management of risk. 4. Approve Outline and Final Business Cases for Capital Investment. 5. Approve budgets. 6. Approve annually Trust's proposed organisational development proposals. 7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 8. Approve PFI proposals. 9. Approve the opening of bank accounts. 10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature above the delegated levels specified in Annex 1 to the Standing Financial Instructions. 11. Approve proposals on individual cases for the write off of losses or making of special

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		<p>payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) specified in Annex 1 to the Standing Financial Instructions.</p> <p>12. Approve individual compensation payments above limits of delegation to the Chief Executive and Director of Finance specified in Annex 1 to the Standing Financial Instructions (other than those with the remit of the Remuneration and Terms of Service Committee).</p> <p>13. Approve proposals for action on litigation against or on behalf of the Trust.</p>
	THE BOARD	<p>Policy Determination</p> <p>1. Responsible for setting the strategic context in which organisational policies are developed and for the formal approval process of policies.</p> <p>2. The Board may delegate approval authority for all policies and other procedural documents to committees and sub-committees with an Executive Lead. Copies of policies so adopted will be available to Board members at Board meetings when the Board is asked to approve or ratify key policies.</p>
N/A	THE BOARD	<p>Audit</p> <p>1. Receive the annual management letter from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.</p> <p>2. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.</p>
NA	THE BOARD	<p>Annual Reports and Accounts</p> <p>1. Receipt and approval of the Trust's Annual Report and Annual Accounts.</p> <p>2. Receipt and approval of the Annual Report and Accounts for funds held on trust.</p>
NA	THE BOARD	<p>Monitoring</p> <p>1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</p> <p>2. Continuous appraisal of the affairs of the Trust by means of the provision of reports to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity commission shall be reported, at least in summary, to the Board.</p> <p>3. Receive reports from Finance Director on financial performance against budget and actual and forecast income from SLA.</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 11.1.1	AUDIT COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board on internal and external audit services; 2. 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; 3. Monitor compliance and non-compliance with Standing Orders and Standing Financial instructions; 4. Review schedules of losses and compensations and make recommendations to the Board; 5. Review schedules of debtor/creditor balances over 6 months old and >£5K; 6. Review and submit annual financial statements on behalf of the Board, where delegated authority has been obtained.
SFI 20.1.2	BOARD REMUNERATIONS AND TERMS OF SERVICE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior employees including: 2. All aspects of salary (including any performance-related elements/bonuses); 3. Provision for other benefits, including pensions and cars; 4. Arrangements for termination of employment and other contractual terms; 5. Make recommendations to the Board on the remuneration and terms of service of executive directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust – having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff; 6. Proper calculation and scrutiny of termination payments taking account of national guidance as appropriate and advise and oversee appropriate contractual arrangements for such staff; 7. Regularly review structure, size and composition required of the Board; 8. Consider succession planning for the Chief Executive and Executive Board Directors, and be responsible for identifying and nominating appointment of candidates; 9. Consider matters relating to the engagement and involvement of suitably qualified third party advisors to assist with aspects of its responsibilities. 10. Consider matters relating to the continuation in office of any Board Executive Director, including during times of suspensions or termination of service of an individual as an employee of the Trust. 11. Report in writing to the Board the basis for its recommendations.

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SFI 20.1.2	REMUNERATION AND TERMS OF SERVICE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Ensure that arrangements for formal letters of appointment and matters relating to the termination of appointment and other contractual terms are put in place by NHS Improvement; 2. Monitor and evaluate performance of individual Non-Executive Directors. 3. Review the time requirements, balance of skills, knowledge, experience and diversity of the Non-Executive Directors, taking into account the views of Board Directors. 4. Consider succession planning for the Non-Executive Directors. 5. Ensure that any changes to the interests declared by the Chair and the other Non-Executive Directors prior to their appointment are monitored <p>The Committee shall report in writing to the Board the basis for its recommendations.</p>
HSC 1999/065	QUALITY AND RISK COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Develop a quality and risk management infra-structure. 2. Provide a strategic lead for the execution of clinical governance. This will include the planning and monitoring of the following: <ul style="list-style-type: none"> – Risk management – including monitoring of remedial action plans and Serious Untoward Incidents. – Learning from experience. – Care Quality Commission achievement and compliance, identifying lapses and implementing and monitoring action plans where lapses do occur. – Clinical Effectiveness including dissemination and implementation of National Service Frameworks and NICE guidance. – Clinical Audit. – Patient Experience. – Infection Prevention and Control. – Continuous Professional Development. 3. Develop, with key stakeholders, integrated governance processes. 4. Direct and lead the development and implementation of both the Trust Clinical Strategy and Trust Quality Account. 5. Monitor the achievement of both the Trust Clinical Strategy and Trust Quality Account. 6. Oversee and monitor the implementation of the Lincolnshire Community Health Services risk management strategy. <p>Ensure that significant risk management concerns are properly considered and communicated.</p>

	<p style="text-align: center;">CHARITABLE FUNDS COMMITTEE</p>	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. The Committee is responsible for governing, controlling and overseeing the administration of the charitable funds held by the Lincolnshire Community Health Services NHS Charitable Funds. 2. The Committee will receive regular reports:- <ul style="list-style-type: none"> – On the Income and Expenditure of the Charity and the balances of funds held; – On how funds have been spent – funds must be spent in accordance with Governing documents and any specific requirements set out by the Committee; – On any matters where officers or the Trustee have not complied with their duties and responsibilities under Trust and Charity law and the Charity Commission’s Responsibilities of Charity Trustees; – Any Audit reports relating to the management of charitable funds. 3. The Committee will agree the delegation of duties to officers (including the appointment of fund managers) and approve expenditure where responsibility has not been delegated to fund managers. 4. The Committee will approve the annual accounts and annual report for submission to the charity commission. 5. At least once in each financial year, the Committee will review, implement and monitor an investment strategy for funds held. 6. The Committee will review the management and administrative costs associated with the charitable funds and approve the annual management costs chargeable to the funds.
	<p style="text-align: center;">FINANCE, PERFORMANCE AND INVESTMENT COMMITTEE</p>	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Consider and monitor the Trust’s financial strategy and annual financial targets, review proposals for major business cases and their respective funding sources, and receive reports on ‘commercial’ activities of the Trust. 2. Consider and monitor the Trust’s identification, collection, reporting and achievement of Key Performance Indicators, and review arrangements to maintain data and reporting. 3. Approve and review the Trust’s Investment Policy, on behalf of the Board of Director, receive and consider major Trust Investment Plans, oversee the Trust’s investments ensuring compliance with the Trust’s policy and monitoring arrangements, and approve any innovative, commercial or investment activity. 4. Review the preparation and delivery of the Trust’s Operational Plan.

		<ol style="list-style-type: none">5. Approve and review the Trust's Procurement Strategy and any related policies on behalf of the Board of Directors, and consider and approve any significant variations to the Trust's existing procurement methodology in accordance with Standing Orders.6. Review delivery of the Trust's Estates and IM&T Strategies.
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SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

ACCOUNTABLE OFFICER MEMORANDUM REF	DELEGATED TO	DUTIES DELEGATED
7	CHIEF EXECUTIVE (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
9	CE AND DIRECTOR OF FINANCE (DOF)	<p>Ensure the accounts of the Trust are prepared under principles and in a format directed by the SofS. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs.</p> <p>Sign the accounts on behalf of the Board.</p>
10	CE	<p>Sign a statement in the accounts outlining responsibilities as the Accountable Officer.</p> <p>Sign a statement in the accounts outlining responsibilities in respect of Internal Control.</p>
12 & 13	CE	<p>Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers:</p> <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."
12	CHAIR	Implement requirements of corporate governance.
13	CE	<p>Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities.</p> <p>Follow through the implementation of any recommendations affecting good practice as set</p>

		out in reports from such bodies as the National Audit Office (NAO).
15	DOF	Operational responsibility for effective and sound financial management and information.
15	CE	Primary duty to see that DoF discharges this function.
16	CE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
18	CEand DOF	CE, supported by Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
19	CE	If CE 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 Committee to enquire, and if necessary NHS Improvement and Department of Health.
21	CE	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CE's responsibility for value for money, the CE should draw the relevant factors to the attention of the Board. If the outcome is that the CE overruled, it is normally sufficient to ensure that the CE's advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform NHS Improvement and the DH. In such cases, and in those described in paragraph 24, the CE should as a member of the Board vote against the course of action rather than merely abstain from voting.

SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.1.7	BOARD	Approve procedure for declaration of hospitality, sponsorship and advertising.
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about mis-administration, breaches of Code of Conduct, and other ethical concerns.
1.3.2.9 & 1.3.2.2	ALL BOARD MEMBERS	Subscribe to Code of Conduct
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON-EXECUTIVE/EXECUTIVE DIRECTORS	Chair and Non-Executive Directors are responsible for monitoring the executive management of the organisation and are responsible to the SofS for the discharge of those responsibilities.
1.3.2.4	BOARD	The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State: <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
		It is the Board's duty to:

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1.3.2.4	BOARD	<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 executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account; 4. establish performance and quality measures that maintain the effective use of resources and provide value for money; 5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; 6. establish Audit and Remuneration Committees on the basis of 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.
1.3.2.5	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 issue 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 Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the 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.
1.3.2.5	CHIEF EXECUTIVE	<p>The Chief Executive 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.</p> <p>The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p>

		The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.
1.3.2.6	NON-EXECUTIVE DIRECTORS	Non-Executive Directors are appointed by NHS Improvement to bring independent judgment to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.
1.3.2.8	CHAIR AND DIRECTORS	Declaration of conflict of interests.
1.3.2.9	BOARD	NHS Boards must comply with legislation and guidance issued by the Department of Health 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.

SCHEME OF DELEGATION FROM STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1	CHAIR	Final authority in interpretation of Standing Orders (SOs).
2.4	BOARD	Appointment of Vice Chair
3.1	CHAIR	Call meetings
3.9	CHAIR	Chair all Board meetings and associated responsibilities
3.10	CHAIR	Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	CHAIR	Have a second or casting vote.
3.13	BOARD	Suspension of Standing Orders
3.13	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board).
3.14	BOARD	Variation or amendment of Standing Orders
4	BOARD	Formal delegation of powers to committees or sub-committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the Chief Executive.)
5.2	CHAIR & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
5.4	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any

		amendment agreed during the discussion.
5.6	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
7.1	THE BOARD	Declare relevant and material interests.
7.2	CHIEF EXECUTIVE	Maintain register(s) of interests.
7.4	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff"
7.4	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
8.1/8.3	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
8.4	CHIEF EXECUTIVE/EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

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

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.1.3	DIRECTOR OF FINANCE	Approval of all financial procedures.
10.1.4	DIRECTOR OF FINANCE	Advice on interpretation or application of SFIs.
10.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
10.2.3	CHIEF EXECUTIVE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.3	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
10.2.4	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
10.2.5	DIRECTOR OF FINANCE	Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of the Board and staff; e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
10.2.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
10.2.7	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust

		to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirements to comply.
11.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
11.1.2	CHAIR	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
11.1.3 & 11.2.1	DIRECTOR OF FINANCE	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit committee in the selection process when/if an internal audit service provider is changed.)
11.2.1	DIRECTOR OF FINANCE	Decide at which stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
11.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with Public Sector Internal Audit Standards and best practice.
11.4	TRUST BOARD	Ensure cost-effective External Audit.
11.5	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Monitor and ensure compliance with aspects of the Health and Social Care Act 2012 relating to fraud and corruption, including the appointment of the Local Counter Fraud Specialist.
11.6	CHIEF EXECUTIVE	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
12.1.1	CHIEF EXECUTIVE	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.

12.1.2 & 12.1.3	DIRECTOR OF FINANCE	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
12.1.6	DIRECTOR OF FINANCE	Ensure adequate training is delivered on an on-going basis to budget holders.
12.3.1	CHIEF EXECUTIVE	Delegate budget to budget holders.
12.3.2	CHIEF EXECUTIVE & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
12.3.1	DIRECTOR OF FINANCE	Devise and maintain systems of budgetary control.
12.3.2	BUDGET HOLDERS	Ensure that a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose subject to rules of virement; c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment.
12.3.3	CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the Annual Plan.
12.5.1	CHIEF EXECUTIVE	Submit monitoring returns.
13.1	DIRECTOR OF FINANCE	Preparation of annual accounts and annual financial reports.
14.1	DIRECTOR OF FINANCE	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements).
15.	DIRECTOR OF FINANCE	Income systems, including system design, prompt banking review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.

15.2.3	ALL EMPLOYEES	Duty to inform DoF of money due from transactions which they initiate/deal with.
16.	CHIEF EXECUTIVE	Tendering and contract procedure.
16.4.3	CHIEF EXECUTIVE	Waive formal tendering procedures.
16.4.3 / 16.4.4	CHIEF EXECUTIVE	Reports waivers of tendering procedures to the Board.
16.5.6	CHIEF EXECUTIVE	Responsible for the receipt, endorsement and safe custody of tenders received.
16.5.7	CHIEF EXECUTIVE	Shall maintain a register to show each set of competitive tender invitations dispatched.
16.5.8	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Where one tender is received will assess for value for money and fair price.
16.8.1	CHIEF EXECUTIVE	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
19.1.4	CHIEF EXECUTIVE	Will appoint a manger to maintain a list of approved firms.
19.1.4	CHIEF EXECUTIVE	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those forms that are invited to tender or quote.
16.6.2	CHIEF EXECUTIVE	The Chief Executive or his nominated officer should evaluate the quotations and select the quote which gives the best value for money.
16.6.4	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE	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 except with the authorisation of the Chief Executive.

16.10.3	CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
16.10.3	BOARD	All PFI proposals must be agreed by the Board.
16.9.4	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
16.9.3	CHIEF EXECUTIVE	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
16.5.10	CHIEF EXECUTIVE	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
17.	CHIEF EXECUTIVE	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services.
17.	CHIEF EXECUTIVE	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA.
18.1.1	BOARD	Establish a Remuneration & Terms of Service Committee.
18.1.2	REMUNERATION AND TERMS OF SERVICE COMMITTEE	Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other Executive Directors 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; Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.
18.1.3	REMUNERATION AND TERMS OF SERVICE COMMITTEE	Report in writing to the Board its advice and its basis about remuneration and terms of service of directors and senior employees.

18.1.4	BOARD	Approve proposals presented by the Chief Executive for settling of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
18.2.2	CHIEF EXECUTIVE	Approval of variation to funded establishment of any department.
18.3	CHIEF EXECUTIVE	Staff, including agency staff, appointments and re-grading.
18.4.1 & 18.4.2	DIRECTOR OF FINANCE	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)
18.4.3	NOMINATED MANAGERS*	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.
18.4.4	DIRECTOR OF FINANCE	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.
18.5	NOMINATED MANAGER*	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.
19.1	CHIEF EXECUTIVE	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.

19.1.3	CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
19.2.1	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.
19.2.2	DIRECTOR OF FINANCE	Shall be responsible for the prompt payment of accounts and claims.
19.2.3	DIRECTOR OF FINANCE	<ul style="list-style-type: none"> a) Advise the Board regarding the settling of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed; b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds; c) Be responsible for the prompt payment of all properly authorised accounts and claims; d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable; e) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; f) Instructions to employees regarding the handling and payment of accounts within the Finance Department; g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received
19.2.4	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
19.2.4	DIRECTOR OF FINANCE	Approve proposed prepayment arrangements.
19.2.4	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).

19.2.5	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
19.2.6	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
19.2.7	CHIEF EXECUTIVE DIRECTOR OF FINANCE	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.
19.2.3	DIRECTOR OF FINANCE	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 256 of the NHS Act.
20.1.1	DIRECTOR OF FINANCE	The DoF will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
20.1.2	BOARD	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the CE and DoF).
20.1.3	DIRECTOR OF FINANCE	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
20.1.4	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE	Be on an authorising panel comprising one other member for short term borrowing approval.
20.2.2	DIRECTOR OF FINANCE	Will advise the Board on investments and report, periodically, on performance of same.
20.2.3	DIRECTOR OF FINANCE	Prepare detailed procedural instructions on the operation of investments held.
21	DIRECTOR OF FINANCE	Ensure that Board members are aware of the all relevant financial guidance and ensure compliance.

22.1.1. & 2	CHIEF EXECUTIVE	Capital investment programme: a) Ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans; b) Responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) Ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) Ensure that a business case is produced for each proposal.
22.1.2	DIRECTOR OF FINANCE	Certify professionally the costs and revenue consequence detailed in the business case for capital investment.
22.1.3	CHIEF EXECUTIVE	Issue procedures for management of contracts involving stage payments.
22.1.4	DIRECTOR OF FINANCE	Assess the requirement for the operation of the construction industry taxation deduction scheme.
22.1.5	DIRECTOR OF FINANCE	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
22.1.6	CHIEF EXECUTIVE	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.
22.1.7	DIRECTOR OF FINANCE	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
22.2.1	DIRECTOR OF FINANCE	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
22.2.1	BOARD	Proposal to use PFI must be specifically agreed by the Board.
22.3.1	CHIEF EXECUTIVE	Maintenance of asset registers (on advice from DoF).

22.3.5	DIRECTOR OF FINANCE	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
22.3.8	DIRECTOR OF FINANCE	Calculate and pay capital charges in accordance with Department of Health requirements.
22.4.1	CHIEF EXECUTIVE	Overall responsibility for fixed assets.
22.4.2	DIRECTOR OF FINANCE	Approval of fixed asset control procedures.
22.4.4	BOARD, EXECUTIVE MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedures.
23.2.1	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
23.2.1	DIRECTOR OF FINANCE	Responsible for systems of control over stores and receipt of goods.
23.2.2	DESIGNATED PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical stocks.
23.2.1	DESIGNATED ESTATES OFFICER	Responsible for control of stocks of fuel oil and coal.
23.2.2	NOMINATED OFFICERS*	Security arrangements and custody of keys.
23.2.3	DIRECTOR OF FINANCE	Set our procedures and systems to regulate the stores.
23.2.4	DIRECTOR OF FINANCE	Agree stocktaking arrangements.

Chair: Elaine Baylis, QPM
Chief Executive: Andrew Morgan

23.2.5	DIRECTOR OF FINANCE	Approve alternative arrangements where a complete system of stores control is not justified.
23.2.6	DIRECTOR OF FINANCE	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
23.2.6	NOMINATED OFFICERS*	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.
23.3	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
24.1.1	DIRECTOR OF FINANCE	Prepare detailed procedures for disposal of assets including condemnation and ensure that these are notified to managers.
24.2.1	DIRECTOR OF FINANCE	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
24.2.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department/nominated officer should then inform the CE and DoF.
24.2.2	DIRECTOR OF FINANCE	Where a criminal offence is suspected, DoF must inform the Police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant LCFS and NHS Protect in line with SoS directions.
24.2.2	DIRECTOR OF FINANCE	Notify NHS Protect and External Audit of all frauds.
24.2.3	DIRECTOR OF FINANCE	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
24.2.4	BOARD	Approve write off of losses (within limits delegated by DH).
24.2.6	DIRECTOR OF FINANCE	Consider whether any insurance claim can be made.

24.2.7	DIRECTOR OF FINANCE	Maintain losses and special payments register.
25.1.1	DIRECTOR OF FINANCE	Responsible for accuracy and security of computerised financial data.
25.1.2	DIRECTOR OF FINANCE	Satisfy him/herself 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.
25.1.3	DIRECTOR WITH LEAD FOR INFORMATION GOVERNANCE	Shall publish and maintain a Freedom of Information Scheme.
25.2.1	RELEVANT OFFICERS	Send proposals for general computer systems to DoF.
25.3	DIRECTOR OF FINANCE	<i>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.</i> Seek periodic assurances from the provider that adequate controls are in operation.
25.4	DIRECTOR OF FINANCE	<i>Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.</i>
25.5	DIRECTOR OF FINANCE	Where computer systems have an impact on corporate financial systems satisfy him/herself that: a) Systems acquisition, development and maintenance are in line with corporate policies; b) Data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists. c) DoF and staff have access to such data

		Such computer audit reviews are being carried out as are considered necessary.
26.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
26.3	DIRECTOR OF FINANCE	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty it is to administer, in any way, the property of.
26.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
27.1	DIRECTOR OF FINANCE	Shall ensure that each trust fund within the Charity is managed appropriately.
28	DIRECTOR OF FINANCE	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff.
29.1	CHIEF EXECUTIVE	Retention of document procedures in accordance with HSC 1999/053.
30.1	CHIEF EXECUTIVE	Risk management programme.
30.1	BOARD	Approve and monitor risk management programme.
30.2.2	DIRECTOR OF FINANCE	Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.

30.2.2	DIRECTOR OF FINANCE	Ensure documented procedures cover management of claims and payments below the deductible.
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*Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

SECTION D - Standing Financial Instructions

10. INTRODUCTION

10.1 General

- 10.1.1 These Standing Financial Instructions (SFIs) are issued by the Trust 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 Director of Finance.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 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 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 Director of Performance and Finance as soon as possible.

10.2 Responsibilities and Delegation

10.2.1 The Trust Board

The Board exercises financial supervision and control by:

- (a) formulating the financial strategy;
- (b) requiring the submission and approval of budgets within approved allocations/overall income;
- (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
- (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.

- 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.

10.2.3 The Chief Executive and Director of Finance

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

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

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

10.2.5 The Director of Finance

The Director of Finance is responsible for:

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

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

- (d) the provision of financial advice to other 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.

10.2.6 Board Members and Employees

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 to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

10.2.7 Contractors and their Employees

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

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

11. AUDIT

11.1 Audit 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 (2016), which will provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit services;
- (b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- (c) 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;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) reviewing schedules of losses and compensations and making recommendations to the Board;
- (f) reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly.
- (g) adoption of financial policies
- (h) adoption of the annual accounts

11.1.2 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to NHS Improvement. (To the Director of Finance in the first instance.)

11.1.3 It is the responsibility of the Director of Finance to ensure an adequate Internal Audit service is provided and the Audit Committee shall be involved in the selection process with due regard to the Bribery Act 2010, when/if an Internal Audit service provider is changed.

11.2 Director of Finance

11.2.1 The Director of Finance is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
- (b) ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
- (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption and to recover loss caused by theft or damage to the estate;
- (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee [and the Board]. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) strategic audit plan covering the coming three years;
 - (vi) a detailed plan for the coming year.

11.2.2 The Director of Finance or designated auditors are entitled without necessarily giving prior notice to require and receive:

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

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.

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 Director of Finance must be notified immediately.

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

11.3.4 The Chief Internal Auditor shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.

11.4 External Audit

11.4.1 The Trust shall procure its External Auditor, from time to time, in accordance with the requirements of the Local Audit Accountability Act 2014 and the Guidance on the Local Procurement of External Auditors for NHS Trusts and CCGs (Department of Health, March 2016) or any later version of such guidance. The Board shall be responsible for making the appointment. The Audit Panel must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor in the first instance.

11.5 Fraud and Corruption

11.5.1 In line with their responsibilities, the Trust Chief Executive and Director of Finance shall monitor and ensure compliance with all aspects of the Health and Social Care Act 2012 which relate to fraud and corruption.

11.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health Anti-Fraud Manual and guidance.

11.5.3 The Local Counter Fraud Specialist shall report to the Trust Director of Finance and shall work with staff in NHS Protect in accordance with the Department of Health Anti-Fraud Manual.

11.5.4 The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

11.6 Security Management

11.6.1 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management.

- 11.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS security management.
- 11.6.3 The Trust shall nominate a Non-Executive Director to be responsible to the Board for NHS security management.
- 11.6.4 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Director of Workforce and Transformation and the appointed Local Security Management Specialist (LSMS).

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

12.1 Preparation and Approval of Plans and Budgets

- 12.1.1 The Chief Executive will compile and submit to the Board an LCHS Operational Plan which takes into account financial targets and forecast limits of available resources. The Operational 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 Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:
- (a) be in accordance with the aims and objectives set out in the Operational 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 Director of Finance 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 Director of Finance to enable budgets to be compiled.
- 12.1.5 All budget holders will sign up to their allocated budgets at the commencement of each financial year.
- 12.1.6 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

12.2 Budgetary Delegation

- 12.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
- (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 Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

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

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

12.3 Budgetary Control and Reporting

12.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

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

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) 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.

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

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 24).

12.5 Monitoring Returns

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

13. ANNUAL ACCOUNTS AND REPORTS

- 13.1 The Director of Finance, 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 the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
- (b) prepare and submit annual financial reports to the Department of Health certified in accordance with current guidelines;
- (c) submit financial returns to the Department of Health for each financial year in accordance with the timetable prescribed by the Department of Health.

- 13.2 The Trust's annual accounts must be audited by the auditor appointed by the Trust in accordance with SFI 11.4.1. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

- 13.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the Department of Health Group Accounting Manual 2016/17 or any later version of such guidance.

14. Bank and GBS Accounts

14.1 General

- 14.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Department of Health. Trusts should minimize the use of commercial bank accounts and consider using Government Banking Service (GBS) accounts for all banking services.

- 14.1.2 The Board shall approve the banking arrangements.

14.2 Bank and GBS Accounts

- 14.2.1 The Director of Finance 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 DH guidance on the level of cleared funds.

14.3 Banking Procedures

14.3.1 The Director of Finance 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 Director of Finance 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 Director of Finance will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.

14.4.2 Competitive tenders should be sought at least every four 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 Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

15.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

15.2 Fees and Charges

15.2.1 The Trust shall have regard to and, where required, follow the Approved Costing Guidance (published by NHS Improvement, updated January 2017) and any later version of such guidance in setting prices for NHS service agreements.

15.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health's Commercial Sponsorship – Ethical standards in the NHS shall be followed.

15.2.3 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

15.3 Debt Recovery

- 15.3.1 The Director of Finance 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.
- 15.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

15.4 Security of Cash, Cheques and other Negotiable Instruments

- 15.4.1 The Director of Finance is responsible for:
 - (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - (b) ordering and securely controlling any such stationery;
 - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
 - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 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 Director of Finance.
- 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.

16. TENDERING AND CONTRACTING PROCEDURE

16.1 Duty to Comply with Standing Orders and Standing Financial Instructions

- 16.1.1 The procedures to be followed by the Trust in relation to all contract opportunities with the Trust and for awarding all contracts with the Trust shall comply with these Standing Orders and Standing Financial Instructions.
- 16.1.2 This SFI 16 is structured as follows:
 - a) Legislation and Policy Framework, referring to the main requirements of law and policy. This section is not definitive and other guidance may also be applicable to any decision or procurement (SFIs 16.1 to 16.3 inclusive);
 - b) The decision to tender and exceptions to the requirements to tender (SFI 16.4);
 - c) Tendering Procedure, where a decision is made to tender pursuant to SFI 16.4 (SFI 16.5);
 - d) Quotations where no tender process (SFI 16.6);

- e) Evaluation of tenders and quotations (SFI 16.7);
- f) Award of contracts (SFI 16.8);
- g) Form of Contract (SFI 16.9);
- h) Specific Requirements (SFI 16.10);
- i) Cancellation of Contracts (SFI 16.11).

16.2 Legislation Governing Public Procurement

- 16.2.1 The Trust shall comply with the Public Contracts Regulations 2015 or any successor regulations (the “Regulations”), and to the extent that they apply to procurement processes run by the Trust, the Public Contracts Regulations 2006¹ (the “2006 Regulations”), any EU Directives relating to EU procurement law having direct effect in England (the “Directives”), any duties derived from the EU Treaty on the functioning of the European Union (“Treaty Obligations”) and any duties derived from the UK common law (“Common Law Duties”) (the Regulations, Directives, Treaty Obligations and Common Law Duties are together referred to elsewhere in these SFIs as “Procurement Legislation”). The Procurement Legislation as amended from time to time shall have effect as if incorporated into these SFIs.
- 16.2.2 The Trust should consider obtaining support from the NHS Supply Chain and/or the Crown Commercial Services where relevant and/or any suitably qualified professional advisor (including, where appropriate, legal advisors) to ensure compliance with Procurement Legislation when engaging in tendering procedures.
- 16.2.3 The Trust shall consider whether any duty to engage with or consult the public or any relevant overview and scrutiny committee of a local authority applies, prior to commencing any procurement process for a contract opportunity. A duty may arise where the opportunity relates to or arises in the context of changes to healthcare services.
- 16.2.4 When procuring services the Trust should have regard to the requirements of the Public Services (Social Value) Act 2012.

16.3 Guidance on Procurement and Commissioning

The Trust should have regard to all relevant guidance issued in relation to the conduct of procurement processes, to the extent applicable to the Trust, including the Department of Health’s “Capital Investment Manual” and “Estate code” in respect of capital investment and estate and property transactions, or any successor guidance issued from time to time.

16.4 Decision to Tender and Exceptions to Requirement to Tender

16.4.1 Presumption to Tender

If the Trust has a contract opportunity for:

- i) the supply of goods, materials and/or manufactured articles;
- ii) the rendering of services including all forms of management consultancy services; and/or
- iii) the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens);

then where:

¹ The 2006 Regulations will continue to apply to processes commenced before 26th February 2015. For the avoidance of doubt this will include processes started after 26th February 2015 if the opportunity was advertised at OJEU prior to that date or the Trust sought expressions of interest, offers in any way i.e. via direct contact with economic operators or utilising some form of advert. The 2006 Regulations will continue to apply to the award of a call off contract under a framework agreement, where the framework agreement was concluded before 26th February 2015 or where the procedure to procure a framework agreement was commenced prior to 26th February 2015.

- a) the contract opportunity is required to be tendered under the Regulations or the 2006 Regulations (i.e. the contract opportunity is governed by the Regulations or the 2006 Regulations and the value of the contract opportunity as calculated pursuant to the Regulations or the 2006 Regulations exceeds the relevant financial threshold* for the requirement to run a formal tender process); or
- b) the contract opportunity is for services that fall within the Light Touch Regime (which shall have the meaning given to the phrase under the Regulations) and where such services are above the relevant financial threshold for the application of the Light Touch Regime;

the Trust shall, subject to SFI 16.4.3, ensure that the contract opportunity is advertised in accordance with SFI 16.5.3 and, where more than one response is received, that competitive tenders are invited in accordance with SFI 16.5.6.

*For the avoidance of doubt, where it is proposed that an organisation will receive a percentage of any savings that it generates under a contract, rather than or in addition to being paid directly by the Trust, the value of the savings that it is anticipated that the organisation will receive should be taken into account in calculating the “value of the contract opportunity” for the purposes of SFI 16.4.1(a). Additionally, where any contract opportunity is let in a number of lots, the Trust shall use the aggregate value of those lots in calculating the “value of the contract opportunity” for the purposes of SFI 16.4.1(a).

16.4.2 Sub-contracting Health Care Services: Decision to Tender

Health care services are Schedule 3 Services (being those services which fall under the Light Touch Regime and which are outlined in schedule 3 of the Regulations). For Schedule 3 Services, there is an obligation to advertise services by virtue of SFI 16.4.1 (b) above as long as the contract value exceeds the applicable threshold unless an exemption applies. In those circumstances, the opportunity will need to be advertised and a form of competitive process carried out unless it is established following the advertisement that there is only one provider interested in providing the services. No requirement to advertise the services arises by virtue of SFI 16.4.1(a) or (b) above, if the contract value is below the applicable threshold. Notwithstanding the above, please note that other obligations set out in part 4 of the Regulations may apply to such below threshold contracts and these should be identified and complied with.

16.4.3 Exceptions and Instances where Formal Tendering need not be Applied

Where a contract opportunity is required to be advertised and tendered under SFI 16.4.1, such a contract opportunity need not be advertised and tendered and formal tendering procedures **need not be applied** where:

- (a) the estimated expenditure or income does not, or is not reasonably expected to, exceed the relevant financial threshold for the application of the Regulations. Please refer to limitations quoted in Annex 1.

For the avoidance of doubt, where it is proposed that an organisation will receive a percentage of any savings that it generates under a contract, rather than or in addition to being paid directly by the Trust, the value of the savings that it is anticipated that the organisation will receive should be taken into account in calculating the “estimated expenditure” for the purposes of this SFI 16.4.1(a).

- (b) it concerns a disposal falling within SFIs SFI 16.10.1 and/or within SFI 24.1.3;

- (c) the requirement can be met by an existing contract without infringing Procurement Legislation;
- (d) the Trust is entitled to call off from a Framework Agreement and the requirements of SFI 16.4.6 (Use of Framework Agreements) have been met;
- (e) a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the Trust; or
- (f) an exception permitting the use of the negotiated procedure without notice validly applies under Regulation 14 of the 2006 Regulations or Regulations 32 of the Regulations;

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

- (g) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- (h) where the timescale genuinely precludes competitive tendering for reasons of extreme urgency brought about by events unforeseeable by the Trust and not attributable to the Trust and the time limits for other procedures in the Regulations or the 2006 Regulations (as applicable) cannot be complied with. Failure to plan work properly is not a justification for waiving the requirement to tender;
- (i) where the works, services or supply required are available from only one source when competition is absent for technical reasons or artistic reasons or for reasons connected with the protection of exclusive rights (including Intellectual Property Rights);
- (j) when the goods required by the Trust are a partial replacement for, or in addition to, existing goods and to obtain the goods from a supplier other than the supplier which supplied the existing goods would oblige the Trust to acquire goods with different technical characteristics and this would result in:
 - i) incompatibility with the existing goods; or
 - ii) disproportionate technical difficulty in the operation and maintenance of the existing goods;

but no such contract may be entered into for a duration of more than three years;
- (k) when new works or services consisting of a repetition of similar works or services entrusted to the supplier to which the Trust awarded the original contract following a compliant tender process are required. The initial tender process must have indicated the extent of possible additional works and the conditions under which they would be awarded. No such contract may be entered into for more than three years
- (l) when works, goods, or services required by the Trust are additional to works, goods, or services already contracted for, and were not included in the initial procurement, where a change of contractor- :
 - i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and
 - ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority.

provided that the value of such additional works or services does not exceed 50% of the value of the original contract. For this to apply, all of the following conditions must be fulfilled -:

- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
 - (ii) the modification does not alter the overall nature of the contract;
 - (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.
- (m) for the provision of legal advice and/or services provided that any provider of legal advice and/or services commissioned by the Trust is regulated by the Solicitors Regulation Authority 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 is generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

16.4.4 Monitoring and Audit of Decision to Tender

- a) The waiving of competitive tendering procedures should not be used with the object of avoiding competition or solely for administrative convenience or, subject to SFIs 16.4.3 (j) to (l), to award further work to a provider originally appointed through a competitive procedure.
- b) Where it is decided that competitive tendering need not be applied or should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit Committee at the next meeting.

16.4.5 Contracts which Subsequently Breach Thresholds after Original Approval not to Tender

Contract opportunities estimated to be below the financial limits set in this SFI 16 or below the threshold for the application of the requirement to tender under the Procurement Legislation, for which formal tendering procedures are not used, but which subsequently prove to have a value above such limits shall be reported to the Chief Executive, and be recorded in an appropriate Trust record.

16.4.6 Use of Framework Agreements

The Trust may utilise any available framework agreement to satisfy its requirements for works, services or goods but only if it complies with the requirements of Procurement Legislation in doing so, which include (but are not limited to) ensuring that:

- a) the framework agreement was procured on its behalf. The Trust should satisfy itself that the original procurement process included the Trust within its scope;
- b) the framework agreement includes the Trust's requirement within its scope. The Trust should satisfy itself that this is the case;
- c) where the framework agreement is a multi-operator framework agreement, the process for selecting providers to be awarded call-off contracts under the framework agreement is followed; and

- d) the call-off contract entered into with the provider contains the contractual terms set out by the framework agreement.

16.4.7 In-House Services: Decision to Tender Services

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

16.4.8 Contracts below the relevant Financial Threshold

Contract opportunities which fall below the relevant threshold should be dealt with under SFI 16.6.

16.5 Tendering Procedure

16.5.1 Equality of Treatment

The Trust shall ensure that no sector of any market (public, private, third sector/social enterprise) is given an unfair advantage in the design or conduct of any tender process. Save that the Trust may exercise the provisions within the Regulations (see regulation 77) that allow it to reserve certain contracts for certain services to qualifying organisations as long as such contract awards comply with the requirements of the Regulations.

16.5.2 Non-Discrimination

- a) The subject matter and the scope of the contract opportunity should be described in a non-discriminatory manner. The Trust should utilise generic and/or descriptive terms, rather than the trade names of particular products or processes or their manufacturers or their suppliers.
- b) All participants in a tender process should be treated equally and all rules governing a tender process must apply equally to all participants.

16.5.3 Advertisement of Contract Opportunities

Where advertisement of a contract opportunity is required under SFI 16.4.1 then:

- a) where a contract opportunity falls within the Regulations and/or the 2006 Regulations and a process compliant with the Regulations and/or the 2006 Regulations is required, an OJEU Notice should be utilised; or
- b) where a contract opportunity falls within the Light Touch Regime, an OJEU Notice or PIN notice should be utilised.
- c) Where a contract opportunity falls below the financial threshold of the Regulations, it may still need to be advertised on Contracts Finder. The requirements of the Regulations should be confirmed and followed in relation to all below threshold procurements.

16.5.4 Choice of Procedure

- a) Where a contract opportunity falls within the Regulations and/or the 2006 Regulations and a process compliant with the Regulations and/or the 2006 Regulations is required then the Trust shall utilise an appropriate tender procedure under the Regulations and/or the 2006 Regulations.

- b) In all other cases, the Trust shall utilise a tender procedure proportionate to the value, complexity and risk of the contract opportunity and shall ensure that invitations to tender are sent to a sufficient number of providers to provide fair and adequate competition.
- c) When exercising its obligations under SFI 16.5.4 (a) and (b) above, and to the extent that such a process complies with the requirements set out in this SFI 16, the Trust may use an electronic tendering process (including the use of reverse e-auctions) for the tendering of contract opportunities.

16.5.5 Invitation to Tender

- a) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- b) Save where an electronic tendering process is utilised by the Trust, all invitations to tender shall state that no tender will be accepted unless:
 - i) submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated Manager;
 - ii) tender envelopes/ packages bear no names or marks indicating the sender. Where courier or postal services are used to deliver tender documents, such services must not identify the sender on the envelope or on any receipt so required by such services.
- c) Every invitation to tender must require each bidder to give a written undertaking not to engage in collusive tendering or other restrictive practice and not to engage in canvassing the Trust, its employees or officers concerning the contract opportunity tendered.

16.5.6 Receipt and Safe Custody of Tenders

- a) The Chief Executive or his nominated representative (who may not be from the department that sponsored or commissioned the relevant invitation to tender; referred to as the "Originating Department" for the remainder of this SFI 16) will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.
- b) Where hard copy tenders are received, the date and time of receipt of each tender shall be endorsed on the tender envelope/package by the Chief Executive or his nominated representative.

16.5.7 Opening Tenders and Register of Tenders

- a) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened or accessed in the case of an electronic tender, by two senior officers/managers designated by the Chief Executive (who may not be from the Originating Department).
- b) A member of the Trust Board will be required to be one of the two approved persons present for the accessing of tenders estimated to be of a value above £1,000,000. The rules relating to the accessing of tenders will need to be read in conjunction with any

delegated authority set out in the Trust's Scheme of Delegation.

- c) Subject to SFI 16.5.10, the involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Director of Finance or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to access tenders. The Trust's Company Secretary will count as a Director for the purposes of accessing tenders.
- d) All Executive Directors/members will be authorised to access tenders regardless of whether they are from the Originating Department provided that the other authorised person accessing the tenders with them is not from the Originating Department.
- e) Every tender received shall be marked with the date of accessing and initialed by those present at the accessing of the relevant tender.
- f) A register shall be maintained by the Chief Executive, or a person authorised by him, to show for each competitive invitation to tender dispatched:
 - i. the name of all organisations/individuals invited to tender;
 - ii. the names of all organisations/individuals from which tenders have been received;
 - iii. the date the tenders were received and the date the tenders were accessed;
 - iv. the persons present at the accessing;
 - v. the price shown on each tender; and
 - vi. a note where price alterations have been made on the tender and suitably initialed.

Each entry to this register shall be signed by those present at the accessing of the relevant tenders.

A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.

16.5.8 Admissibility of Tenders

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

16.5.9 Late Tenders

- a) Tenders received after the due time and date, but prior to the accessing of the other tenders, may be considered only if the Chief Executive or his nominated officer decides that there are exceptional circumstances i.e. dispatched in good time but delayed through no fault of the tenderer.
- b) Only in the most exceptional circumstances will a tender be considered which is received after the accessing of the other tenders and only then if the tenders that have been duly accessed have not left the custody of the Chief Executive or his nominated officer or if the process of evaluation and adjudication has not started.

- c) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive or his nominated officer.
- d) Accepted late tenders will be reported to the Board.

16.5.10 Accountability where In-House Bid

- a) In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:
 - i) Specification group, comprising the Chief Executive or nominated officer/s and a specialist officer whose function shall be to draw up the specification of the service to be tendered.
 - ii) In-house tender group, comprising a nominee of the Chief Executive and technical support to draw up and submit the in-house tender submission. Best value of money must be demonstrated for all services provided on an in-house basis.
 - iii) Evaluation group, comprising normally a specialist officer, a supplies or commissioning officer and a Director of Finance representative whose function is to shortlist expressions of interest received and evaluate tenders received. For services having a likely annual expenditure exceeding £300,000, a Non-Executive Director should be a member of the evaluation team.
- b) No officer or employee of the Trust directly engaged or responsible for the provision of the in-house service subject to competitive tendering may be a member of any of the specification or evaluation groups established under SFI 16.10(a) but the specification group may consult with and take into account information received from such officers or employees in drawing up the Trust's specification, subject at all times to observing the duty of non-discrimination at SFI 16.5.2. No member of the in-house tender group may participate in the evaluation of tenders.
- c) The evaluation group shall make recommendations to the Board.

16.6 Quotations: Competitive and Non-Competitive

16.6.1 Requirement to Obtain Competitive Quotations

- a) Subject to SFI 16.6.1(b), SFI 16.6.1(c) and SFI 16.6.1(d), competitive quotations are required for all contract opportunities where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed [£25,000] but not exceed the relevant financial threshold for the application of the Regulations excluding VAT. For the avoidance of doubt, where it is proposed that an organisation will receive a percentage of any savings that it generates under a contract, rather than or in addition to being paid directly by the Trust, the value of the savings that it is anticipated that the organisation will receive should be taken into account in calculating the "intended expenditure" for the purposes of this SFI 16.6.1(a). Additionally, where any contract opportunity is let in a number of lots, the Trust shall use the aggregate value of those lots in calculating the "value of the contract opportunity" for the purposes of SFI 16.6.1(a).
- b) Competitive quotations are not required where a contract opportunity need not be advertised and tendered under SFI 16.4.3 (b) to (f) inclusive.

- c) Competitive quotations are not required where the requirement to advertise and tender a contract opportunity has been waived under SFI 16.4.3(g) to (m) inclusive.
- d) Competitive quotations are not required where a contract opportunity is for a below threshold Schedule 3 Service. Nothing in this SFI shall prevent the Trust seeking competitive quotations should it wish to do so.

16.6.2 Competitive Quotations

Where competitive quotations are required under SFI 16.6.1:

- a) quotations should be obtained from at least three organisations/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- b) quotations should be obtained in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible in writing and the reasons why the telephone quotation was obtained should be set out in an appropriate Trust record.
- c) all quotations should, subject to compliance with the provisions of the Freedom of Information Act 2000, be treated as confidential and should be retained for six months from the date of receipt for inspection.
- d) the Chief Executive or his nominated officer (who shall not be from the Originating Department) should evaluate each quotation received by applying evaluation criteria in accordance with SFI 16.7.2 and select the quote which gives the best value for money.

16.6.3 Non-Competitive Quotations

- a) Non-competitive quotations in writing must be obtained for any contract opportunity where formal tendering procedures are not adopted and where competitive quotations are not required under SFI 16.6.1.

16.6.4 Quotations to be within Financial Limits

No quotation shall be accepted by the Trust which will commit expenditure in excess of that which has been allocated by the Trust except with the authorisation of either the Chief Executive or the Director of Finance.

16.7 Evaluation of Tenders and Quotations

16.7.1 Overriding Duty to Achieve Best Value

The Trust shall ensure that it seeks to obtain best value for each contract opportunity.

16.7.2 Choice of Evaluation Methodology

The Trust must, for each contract opportunity which is subject to a tender or a competitive quotation, choose to adopt evaluation criteria based on either:

- a) the most economically advantageous tender, based on criteria linked to the subject matter of the contract opportunity including but not limited to some or all of:
 - i) quality;
 - ii) price;
 - iii) technical merit;

- iv) aesthetic and functional characteristics;
- v) innovative characteristics
- vi) qualification and experience of staff assigned to perform the contract (when this can have significant impact on the level of performance of the contract)
- vii) environmental characteristics;
- viii) running costs;
- ix) cost effectiveness;
- x) after sales service;
- xi) technical assistance;
- xii) delivery date;
- xiii) delivery period; and/or
- xiv) period of completion.

16.7.3 Each invitation to tender or invitation to supply a competitive quotation must state the evaluation criteria to be used to evaluate the tender or quotation and the relative weightings of each such criteria.

16.8 Award of Contracts

16.8.1 Acceptance of Formal Tenders

- a) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his/her tender before the award of a contract will not disqualify the tender.
- b) Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders (see SFI 16.5.9 above).
- c) Where examination of tenders reveals errors which would affect the value of the tender, the tenderer may be given details of such errors and afforded the opportunity of confirming or withdrawing his offer.
- d) No tender shall be accepted by the Trust which will commit expenditure in excess of that which has been allocated by the Trust except with the authorisation of the Chief Executive.
- e) No tender shall be accepted by the Trust which is obtained contrary to these SFIs except with the authorisation of the Chief Executive or Director of Finance.
- f) All tenders should, subject to compliance with the provisions of the Freedom of Information Act 2000, be kept confidential and should be retained for 12 months from the date set for the receipt of tenders for inspection.

16.8.2 Authorisation of Tenders and Competitive Quotations

- a) Providing all the requirements set out in these SFIs have been fully complied with, formal authorisation and awarding of a contract may be decided in accordance with the approved delegated financial limits set out in the Trust's Scheme of Delegation.
- b) Formal authorisation must be put in writing. In the case of authorisation by the Board this shall be recorded in its minutes.

16.8.3 Tender Reports to the Trust Board

Reports to the Board will be made on an exceptional-circumstances basis only.

16.9 Form of Contract

16.9.1 Form of Contract: General

Subject to the remainder of this SFI 16.9, the Trust shall consider the most appropriate form of contract for each contract opportunity (including to the extent appropriate any NHS Standard Contract Conditions available) and should consider obtaining support from a suitably qualified professional advisor (including where appropriate legal advisors).

16.9.2 Contracts for Building or Engineering Works

- a) Subject to SFIs 16.9.2(b) to (d) inclusive, every contract for building or engineering works shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with Concode (where applicable).
- b) When the content of the work is primarily engineering, every contract shall embody or be in the terms of:
 - i) the General Conditions of Contract recommended by the Institution of Mechanical Engineers; and/or
 - ii) the Association for Consultancy and Engineering (Form A);
- c) In the case of civil engineering work, every contract shall embody or be in the terms of the General Conditions of Contract recommended by:
 - i) the Institution of Civil Engineers; and/or
 - ii) the Association for Consultancy and Engineering; and/or
 - iii) the Civil Engineering Contractors Association.
- d) Each of the documents referred to in SFIs 16.9.2 (a) to (c) inclusive may be modified and/or amplified to accord with Department of Health guidance and, with appropriate professional advice (including legal advice if necessary), to cover special features of individual projects.

16.9.3 Employment, Agency and Consultants Contracts

The Chief Executive shall nominate officers with delegated authority to enter into permanent and temporary contracts of employment and other contracts for agency staff or persons engaged on a consultancy basis.

16.9.4 Compliance Requirements for all Contracts

The Trust may only enter into contracts within its statutory powers and each such contract shall:

- a) comply with the Trust's SOs and SFIs;

- b) comply with the requirements of all EU Directives directly enforceable in the UK and all other statutory provisions;
- c) embody substantially the same terms and conditions of contract that formed the basis on which tenders or quotations were invited;
- d) be entered into and managed to obtain best value;
- e) have an officer nominated by the Chief Executive to oversee and manage each contract on behalf of the Trust.

16.10.1 Specific Requirements

Disposals

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 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 specified in Annex 1, 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; and/or
- e) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

16.10.2 Applicability of SFIs on Tendering and Contracting to Funds held in Trust

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

16.10.3 Private Finance for Capital Procurement

When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

- a) The Chief Executive shall demonstrate that the use of private finance represents value for money as against a public sector comparator and genuinely transfers risk to the private sector;
- b) The Trust must seek all applicable approvals and meet the requirements of all relevant Department of Health guidance;
- c) The proposal must be specifically agreed by the Trust Board; and
- d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations compliant with the duties set out in this SFI 16.

16.10.4 E-tendering

Nothing in this SFI 16 shall preclude the Trust from establishing and utilising electronic tendering procedures.

16.11. Cancellation of contracts

16.11.1. Except where specific provision is already made in any applicable mandatory NHS Standard Contract Conditions to be utilised by the Trust - 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

- (a) the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or
- (b) for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or
- (c) for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Trust, or
- (d) if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor), or
- (e) if in relation to any contract with the Trust the contractor or any person employed by him or acting on his behalf shall have committed any offence under the Bribery Act 2010 and other appropriate legislation, or
- (f) If the contract has been subject to a substantial modification which would have required a new procurement procedure, or
- (g) The contractor should, at the time of the contract award, have been excluded on any of the mandatory ground set out in the Regulations.

Save that for paragraph 16.11 (f) and (g) above the Trust shall not have an absolute right to recover from the contractor the amount of any loss resulting from such cancellation.

17 CONTRACTS FOR PROVISION OF SERVICES

17.1 Contracts

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

All contracts should aim to implement the agreed priorities contained within the Trust's annual plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- the standards of service quality expected;
- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- The Single Oversight Framework (NHS Improvement) and any guidance that replaces such guidance;

- that contracts build where appropriate on existing investment plans;
- that contracts are based on integrated care pathways.

17.2 Involving Partners and Jointly Managing Risk

A good contract will result from a dialogue between clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The contract should 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 Board on Contracts

The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from Contracts. This will include information on costing arrangements, which increasingly should be based upon best practice and national guidance, where these are available for Community Services. Where best practice and national guidance is unavailable for specific services, all parties should agree a common currency for application across the range of Contracts.

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 (see overlap with SO No. 4)

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

18.1.2 The Committee will:

- (a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors employed by the Trust and other senior employees including:
 - (i) all aspects of salary (including any performance-related elements/bonuses);
 - (ii) provisions for other benefits, including pensions and cars;
 - (iii) arrangements for termination of employment and other contractual terms;
- (b) make such recommendations to the Board on the remuneration and terms of service of Executive Directors of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
- (c) monitor and evaluate the performance of individual Executive Directors (and other senior employees);
- (d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.

- 18.1.3 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Executive Directors. Minutes of the Board's meetings should record such decisions.
- 18.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.
- 18.1.5 The Trust will pay allowances to the Chair and Non-Executive Directors of the Board in accordance with instructions issued by the Secretary of State for Health.

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 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 Chief Executive;
- and
- (b) within the limit of their approved budget and funded establishment.
- 18.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

18.4 Processing Payroll

- 18.4.1 The Director of Finance 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 Director of Finance 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;
- (l) 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.

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 Director of Finance's instructions and in the form prescribed by the Director of Finance;
- (c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employees or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

18.4.4 Regardless of the arrangements for providing the payroll service, the Director of Finance shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

18.5 Contracts of Employment

18.5.1 The Board shall delegate responsibility to an officer or officers 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.

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 Chief Executive will determine the level of delegation to budget managers.

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

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

19.2.1 Requisitioning

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

19.2.2 System of Payment and Payment Verification

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

19.2.3 Director of Finance

The Director of Finance will:

- (a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the Trust's Standing Financial Instructions and regularly reviewed;
 - (b) prepare procedural instructions or guidance in accordance with SFI No. 16 on the obtaining of goods, works and services;
 - (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. The system shall provide for:
 - (i) A list of Board employees (including specimens of their signatures) authorised to certify invoices.
 - (ii) Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
- the account is arithmetically correct; - the account is in order for payment.

- (iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (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 No. 21.2.4 below.

19.2.4 Prepayments

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

- (a) Material prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- (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 Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the requirements of SFI No.16);
- (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 Chief Executive if problems are encountered.

19.2.5 Official Orders

Official Orders must:

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

19.2.6 Duties of Managers and Officers

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

- (a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;
- (b) contracts are advertised and awarded in accordance with SFI No.16;
- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health;

- (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");

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- (g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) changes to the list of employees and officers authorised to certify invoices are notified to the Director of Finance;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
- (l) petty cash records are maintained in a form as determined by the Director of Finance.

19.2.7 The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

20. EXTERNAL BORROWING

20.1 External Borrowing

20.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health. The Director of Finance 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 Chief Executive and the Director of Finance.

20.1.3 The Director of Finance 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 cash flow position, represent good value for money, and comply with the latest guidance from the Department of Health.
- 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 Chief Executive or the Director of Finance. 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 Trust financial plan and be approved by the Trust Board.

20.2 Investments

- 20.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.
- 20.2.2 The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 20.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

21. FINANCIAL GUIDANCE

- 21.1.1 The Director of Finance should ensure that:
 - (a) members of the Board are aware of all relevant financial guidance; and
 - (b) that the Trust has regard to this guidance/complies with this guidance, as required.

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

22.1 Capital Investment

- 22.1.1 The Chief Executive:
 - (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
 - (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - (c) shall ensure that the capital investment is not undertaken without confirmation of availability of resources to finance all revenue consequences, including capital charges.
- 22.1.2 For every capital expenditure proposal the Chief Executive shall ensure:
 - (a) that a business case (in line with the guidance contained within the *Capital Investment Manual*) is produced setting out:

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

22.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of "Estate code".

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

22.1.5 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

22.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

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

- (a) specific authority to commit expenditure;
- (b) authority to proceed to tender (see overlap with SFI No. 16);
- (c) approval to accept a successful tender (see overlap with SFI No. 16).

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with "Estate code" guidance and the Trust's Standing Orders.

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

22.2 Private Finance (see overlap with SFI No. 16.10.3)

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

22.3 Asset Registers

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

22.3.2 Each Trust shall maintain an asset register recording fixed assets.

- 22.3.3 Additions to the fixed 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.
- 22.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 22.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 22.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the Department of Health Group Accounting Manual 2016-17 or any later version of such guidance.
- 22.3.7 The value of each asset shall be depreciated using methods and rates as specified in the Department of Health Group Accounting Manual 2016-17 or any later version of such guidance.
- 22.3.8 The Director of Finance of the Trust shall calculate and pay capital charges as specified in the Department of Health Group Accounting Manual 2016-17 or any later version of such guidance.

22.4 Security of Assets

- 22.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 22.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. 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.
- 22.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.
- 22.4.4 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.
- 22.4.5 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.

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

23. STORES AND RECEIPT OF GOODS

23.1 General Position

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

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

23.2 Control of Stores, Stocktaking, Condemnations and Disposal

23.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.

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

23.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.

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

23.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.

23.2.6 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 25 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.

23.3 Goods Supplied by NHS Logistics

23.3.1 For goods supplied via the NHS Logistics central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance who shall satisfy him/herself that the goods have been received before accepting the recharge.

24. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

24.1 Disposals and Condemnations

24.1.1 Procedures

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

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

24.1.3 All unserviceable articles shall be:

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

24.1.4 The Condemning Officer shall satisfy him/herself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

24.2 Losses and Special Payments

24.2.1 Procedures

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

24.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the relevant LCFS and NHS Protect in accordance with the fraud and corruption aspects of the Health and Social Care Act 2012.

The Director of Finance must notify NHS Protect and the External Auditor of all frauds.

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

- (a) the Board,
- (b) the External Auditor.

24.2.4 Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.

- 24.2.5 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 24.2.6 For any loss, the Director of Finance should consider whether any insurance claim can be made.
- 24.2.7 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 24.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.
- 24.2.9 All losses and special payments must be reported to the Audit Committee at every meeting.

25. INFORMATION TECHNOLOGY

25.1 Responsibilities and Duties of the Nominated Director with Responsibility for Information Technology

25.1.1 The nominated Director, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
- (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.

25.1.2 The Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

25.1.3 The nominated Director with responsibility for Information Technology 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.

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

25.2.1 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 of Finance:

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

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

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

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

25.4 Risk Assessment

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

25.5 Requirements for Computer Systems which have an Impact on Corporate Financial Systems

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

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

26. PATIENTS' PROPERTY

26.1 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.

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

- notices and information booklets; (***notices are subject to sensitivity guidance***)
- hospital admission documentation and property records;

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

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

26.4 Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance.

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

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

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

27. FUNDS HELD ON TRUST

27.1 Corporate Trustee

- (1) Standing Order No. 2.8 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SFI 4.9.3 that defines the need for compliance with Charities Commission latest guidance and best practice. In this SFI 27, "Charity" means all charitable trusts of which the Trust is corporate trustee.
- (2) The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

The Director of Finance shall ensure that each trust fund within the Charity is managed appropriately with regard to its purpose and to its requirements.

27.2 Accountability to Charity Commission and Secretary of State for Health

- (1) The trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust within the Charity and to the Secretary of State for all funds held on trust.
- (2) The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the Charity's funds are to be taken and by whom. All Trust Board members and Trust officers must take account of that guidance before taking action.

27.3 Applicability of Standing Financial Instructions to Funds held on Trust

- (1) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with SFI No 16.10.2).
- (2) The over-riding principle is that the integrity of each trust fund within the Charity must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

28. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 6 and SFI No. 19.2.6 (d))

The Director of Finance shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 6).

29. RETENTION OF RECORDS

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

30. RISK MANAGEMENT AND INSURANCE

30.1 Programme of Risk Management

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

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 effect
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including; Internal Audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured;

- g) arrangements to review the Risk Management programme.

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

30.2 Insurance Arrangements with Commercial Insurers

30.2.1 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:

- (1) Trust's may enter commercial arrangements for **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use;
- (2) 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
- (3) 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 the Litigation Authority. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the Department of Health.

30.2.2 Arrangements to be followed by the Board in agreeing Insurance cover:

- (1) Where the Trust uses risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
- (2) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the "deductible"). The Director of Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

Financial Limits

In all cases, the values stated in this annex are those applicable for the whole of the contract period, which may be more than a single year. In the event that an officer is formally acting in a deputy capacity, they shall assume the financial limits set for that budget holder.

Values quoted in this annex in relation to SFI 16.4.3 (tenders), SFI 16.6.1 (quotations) and SFI 16.8 (contracts) are excluding VAT.

Authorisation of Non-Pay Expenditure

Non Pay

Category	£
Officers designated by budget holder	Up to £5,000
Designated budget holder	Up to £25,000
Heads of Service	Up to £50,000
Deputy Director / Deputy Directors	Up to £100,000
Directors	Up to £250,000
Director of Finance	Up to £500,000
Chief Executive	Up to £1,000,000
Chair	Up to £1,000,000
Board	Over £1,000,000

SFI 12.3.2 Virement

Virements (i.e. the use of a budget for a different purpose than originally approved) may be actioned as follows:

Designated budget holders	up to	£25,000
Deputy Directors	up to	£50,000
Directors	up to	£100,000
Director of Finance	up to	£1,000,000
Chief Executive	up to	£5,000,000
Trust Board	other	

SFI 16.4.3 Tenders

SFI 16.4.3: Exceptions and instances where formal tendering may not need to be applied. Formal tendering not need be applied when the expenditure or income does not exceed the relevant financial threshold for the application of the Regulations. This currently stands at £106, 047 as at 5th September 2016 but should be confirmed with the Director of Finance as required. The above threshold applies to Part B Services under the 2006 Regulations and non Schedule 3 Services under the Regulations; however, the threshold for services covered by the Light Touch Regime is £589,148.

SFI 16.6 Quotations

Under SFI 16.6.1, quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed **£25,000** but not exceed **the relevant financial threshold for the application of the Regulations**.

If, within the limits applicable under SFI 16.6.1, non-competitive quotations are obtained under SFI 16.6.3, the reasons for their acceptance will be documented in a form determined by the Director of Finance and Contracting.

SFI 16.8 Authorisation of Contracts

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 may be decided by the following to the value of the contract as follows:

Designated budget holders	up to	£25,000
Deputy Directors	up to	£50,000
Directors	up to	£100,000
Director of Finance	up to	£1,000,000
Chief Executive	up to	£5,000,000
Trust Board	other	

The authorisation of contracts of more than the above limits can be by the Trust Board.

Any variation to a contract must also comply with the limits in this annex. Should the contract variation be significant in either duration of the contract, terms or value of the overall contract, the appropriate limit shall be the value of the contract inclusive of the proposed variation.

For the avoidance of doubt, officers having the power to authorise contracts shall also have the power to act on behalf of the Trust in all matters relating to those contracts, including the power to serve notices, including termination notices, in relation to the contracts.

In accordance with SFI 12.5, the SFI 16.8 limits apply to capital expenditure; as such, these shall be the maximum financial limits of delegation by the Chief Executive through the capital panel to which reference is made in SFI 22.1.6.

SFI 16.6.3 Instances where formal competitive tendering or competitive quotation is not required

Tenders or quotations are not required where expenditure is below the lower limit in SFI 16.6.1, i.e. **£25,000**, but procurement will still comply with procurement procedures determined by the Director of Finance.

SFI 16.10.1 Disposals

Quotations or tenders are not required for the disposal of items with an estimated sale value of less than £100 and where, in the opinion of two officers, the cost of obtaining competitive quotations (including consideration of internet auction sites) will exceed the estimated sale value.

SFI 16.5.10(a)(iii) In house services

SFI 16.5.10(a)(iii) requires that an evaluation team for any tendering of a service currently provided in house having a likely expenditure of more than £300,000 shall include a non-executive member.

SFI 24 Losses and Special Payments

HM Treasury specifies procedures for the handling of Losses and Special Payments (including compensation payments). Subject to Losses or Special Payments not requiring the approval of the Department of Health, the following may be actioned with the approval of the following:

Jointly by the Chief Executive and Director of Finance:

- Losses (including the write off of debts) of up to £50,000
- Special Payments (including compensation payments other than those within the remit of the Remuneration and Terms of Service Committee) of up to £50,000

By the Director of Finance or Deputy Director of Finance:

- Losses (including the write off of debts) of up to £25,000
- Special Payments (including compensation payments other than those within the remit of the Remuneration and Terms of Service Committee) of up to £5,000

Legal advice should be sought in relation to any novel, contentious or repercussive cases.

NHSLA Monitoring Template

Minimum requirement to be monitored	Process for monitoring e.g. audit	Responsible individuals/ group/ committee	Frequency of monitoring/audit	Responsible individuals/ group/ committee (multidisciplinary) for review of results	Responsible individuals/ group/ committee for development of action plan	Responsible individuals/ group/ committee for monitoring of action plan
Regulation of Trust proceedings and business	Annual review of policy document. On-going review and appraisal of national guidance and legislation	Director of Finance Audit Committee	Annually at the Audit Committee Monthly at Trust Board by Exception	Audit Committee Trust Board	Director of Finance Audit Committee	Audit Committee Trust Board

Equality Analysis

Section 1 – to be completed for all policies

A.	Briefly give an outline of the key objectives of the policy; what it's intended outcome is and who the intended beneficiaries are expected to be	Provide the Trust with instruction and advice for the regulation of the conduct of its members and officers, with particular reference to all financial matters.		
B.	Does the policy have an impact on patients, carers or staff, or the wider community that we have links with? Please give details	This policy applies to the conduct of all members of the Trust		
C.	Is there is any evidence that the policy\service relates to an area with known inequalities? Please give details	None		
D.	Will/Does the implementation of the policy\service result in different impacts for protected characteristics?			
		Yes	No	
	Disability		X	
	Sexual Orientation		X	
	Sex		X	
	Gender Reassignment		X	
	Race		X	
	Marriage/Civil Partnership		X	
	Maternity/Pregnancy		X	
	Age		X	
	Religion or Belief		X	
	Carers		X	
If you have answered 'Yes' to any of the questions then you are required to carry out a full Equality Analysis which should be approved by the Equality and Human Rights Lead – please go to section 2				
The above named policy has been considered and does not require a full equality analysis				
Equality Analysis Carried out by:		Karen Stinson		
Date:		15 th September 2017		